Supreme Court, U.S.
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No. _____

In the
Supreme Court of the United States

FREDERICK E. BOUCHAT,

Petitioner,

v.

THE BON-TON DEPARTMENT STORES, INC. *ET AL.*,

Respondents.

On Writ of Certiorari to the
United States Court of Appeals for the Fourth Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. DID THE FOURTH CIRCUIT ERR IN HOLDING, IN CONFLICT WITH THE DECISIONS OF THIS COURT CONCERNING THE DISTINCTION BETWEEN CLAIM PRECLUSION AND ISSUE PRECLUSION, THAT A PRIOR JUDGMENT FOR COPYRIGHT INFRINGEMENT AGAINST CONTRIBUTING INFRINGERS GAVE RISE TO CLAIM PRECLUSION ON THE ISSUE OF ACTUAL DAMAGES IN A SUBSEQUENT ACTION AGAINST DIRECT INFRINGERS WHILE REACHING THE MERITS OF THE ISSUES OF LIABILITY AND STATUTORY DAMAGES?

2. DOES SECTION 412(1) OF THE COPYRIGHT ACT, WHICH PROHIBITS AN AWARD OF STATUTORY DAMAGES FOR ANY INFRINGEMENT COMMENCED PRIOR TO REGISTRATION, PROHIBIT SUCH AN AWARD AGAINST A DIRECT INFRINGER WHOSE FIRST ACT OF INFRINGEMENT OCCURRED AFTER THE REGISTRATION WHEN SUCH INFRINGER IS JOINTLY AND SEVERALLY LIABLE WITH A CONTRIBUTING INFRINGER WHOSE FIRST INFRINGING ACT OCCURRED BEFORE REGISTRATION?

PARTIES TO THE PROCEEDINGS

The Petitioner is:

Frederick E. Bouchat.

The Respondents are:

The Bon-Ton Department Stores, Incorporated; Burlington Coat Factory Warehouse 0f Maryland, Incorporated; Burlington Coat Factory Warehouse of Annapolis, Incorporated; Burlington Coat Factory of Gaithersburg, Incorporated; Burlington Coat Factory Warehouse of Security, Incorporated; Burlington Coat Factory Warehouse of Baltimore, Incorporated; Burlington Coat Factory Warehouse of Reistertown, Incorporated; Burlington Coat Factory Warehouse of Columbia, Incorporated; Burlington Coat Factory Warehouse of Greenbelt, Incorporated; Burlington Coat Factory Warehouse of Glen Burnie, Incorporated; Burlington Coat Factory Warehouse of Frederick, Incorporated; Burlington Coat Factory Warehouse of Jessup, Incorporated; Burlington Coat Factory Warehouse of Waldorf, Incorporated; Burlington Coat Factory Warehouse of Towson, Incorporated; Burlington Coat Factory Warehouse of City Place, Incorporated; Burlington Coat Factory Warehouse of Hunt Valley, Incorporated; Collectors Edge of Tennessee, Incorporated; ESPN, Incorporated; Fotoball USA, Incorporated; Frank Sussman, Company; Giant Food Incorporated; Home Box Office of Warner Brothers And Time Warner, Incorporated; Nissan Motor Acceptance Corporation; Starwood Operating, Incorporated, a/k/a Starwood Asset Services, Incorporated, t/a Sheraton Hotels;

Starwood Hotels & Resorts, t/a Sheraton Hotels; The Sports Authority, Incorporated; Value City Department Store; American Greetings-ACG, Incorporated; Starwood Hotels & Resorts Worldwide, Incorporated, t/a Sheraton Hotels, K-Mart Corporation; Balfour Company; Borders Group; Copeland's Sport Stores; CVS; Wal-Mart Associates, Incorporated; Wal-Mart Stores, Incorporated; Wal-Mart Stores East, Incorporated; Wal-Mart Realty Company; Tripp Distributors, Incorporated; Delta Apparel Incorporated; Eastport Corporation; ESPN Internet Ventures, a/k/a ESPN Network, a/k/a ESPN Internet Group; Fogdog, Incorporated; Group W Television, Incorporated; The May Department Stores Company, t/a The Hecht Company; KW Textiles, Incorporated; Major League Vacations; Nascar Banner Plus; NFL Shop; NFL Store, a/k/a The Best NFL Store; R. Kaufman Jewelers; NFL Jewelry; Nissan Auto Receivables Corporation, II; Nissan North America, Incorporated; Oneita Industries, Incorporated; Proteam Com, Incorporated, a/k/a Proteam.com 2000; Puma North America; Rand McNally Company, a/k/a Rand McNally & Company; Rocky Mountain Sport; Rite Aid Corporation; Royal Vendors, Incorporated; Shop At Home, Incorporated; Sony Corporation; Target Corporation; Ticket Warehouse; TKO Marketing; TV Guide, Incorporated; Skymall, Incorporated; Walden Book Company, Incorporated; West Coast Novelty Corporation; Hasboro Promotions and Direct, Incorporated, t/a Starting Lineup Collector Club; Infinity Broadcasting Corporation, t/a WJFK Radio, t/a WLIF Radio, a/k/a Infinity Broadcast Corporation of Maryland, a/k/a Infinity Broadcasting Corporation of Washington, D.C., a/k/a Infinity Broadcast

Corporation of Chesapeake; Rhode Island Novelty; Suntrust Bank, a/k/a Crestar Bank, N.A.; Online Sports, a/k/a Onlinesports.com; Sportsline.com, Incorporated, a/k/a Sportsline & Sportsline.com, a/k/a Sportsline USA, Incorporated; Champion Products, Incorporated; AA World Class Embroidery Embellishment; Abbacus, Incorporated; ABC, Incorporated; ABC Sports, Incorporated; A.D. Suttons & Sons; Accessory Network; Acclaim Entertainment; Accolade, Incorporated; Accudart; Adidas America; Aerial Sports Photography, Incorporated; AMA International Group; American Needle & Novelty, Incorporated; Aminco International Incorporated; Andrew Noch & Associates; Angel Lake Multimedia, Incorporated; Anheuser-Busch Companies, Inc.; Ansa Kids, Incorporated; The Antigua Group, Incorporated; Antone's Gourmet Gifts; Aquarius Limited; Athletic Supply of Dallas; Audrey Creative Table Linen; Autographed Ball Company; Baby Fair, d/b/a BabyFair, Incorporated; Barrell Sportswear; Belding Sports; Bell Atlantic Mobile, Incorporated, t/a Bell Atlantic Corporation; Bernie Kosar Greeting Card Company; Best Company, Incorporated, a/k/a Treat Entertainment; Best Equipment; Best Personalized Books; Betras Plastics; Bic Corporation; Big League Promotions; Bike Athletic Company; Bnox, Incorporated; Bond Distributing Company; Bottom Line Images; Brandon Apparel Group, Incorporated; Buffalo Games, Incorporated; Bulova Corporation; CBS Corporation Group, d/b/a CBS Corporation; C & I Leasing Incorporated; Cable News Network, Incorporated; Cambridge Footwear Group, Limited; Campbell Soup Company; Cannon USA, Incorporated; Carretta Sport Incorporated;

Casablanca Fan Company; Caseworks International; Castrol North America, Incorporated; Champion Glove; Chestnut Hill Market; Chicagoland Processing Corporation; Cincinnati Bengals, Incorporated; Classic Balloon Corporation; Cleo, Incorporated; The Coca-Cola Company; Colgate Palmolive Company; Collector's Edge L.P.; College Concepts; Color-Clings, Incorporated, d/b/a The Paper Magic Group, Incorporated; Colores International, Incorporated, t/a Division of Wincraft Incorporated; Columbia Tel-Com; Columbia Telecommunications; Cooperstown Bears Limited; Coordinated Strategic Alliances Incorporated; Corinthian, Incorporated; Costacos Brothers Sports; Crown Oil & Gas Company; Crownmark; CSS Industries, Incorporated; CUI, Incorporated, (Metallic Images); Custom Cribbage, Incorporated; Cybrcard; D. Glasgow & Sons, Incorporated; Dallas Cowboys; Danby Products, Incorporated; Day Dream Publishing; Derivative Works, Incorporated; Dick's Clothing & Sporting Goods, Incorporated; Direct Impulse Design; Disney Press/Hyperion Books; Dixie Seal & Stamp Company, Incorporated; Double Tree Hotel Corporation; DSJ & Associates; Duck House; Dynasty Apparel Industries; E & J Gallo Winery; Eastman Kodak Company; Easton Sports, Incorporated; Eller Media Company; Emerson USA; Equity Sports, d/b/a Equity Marketing Incorporated; ERTL Company, Incorporated; ESPN, Incorporated; Essex Manufacturing Company; Exclusive Pro Sports; Fabric Traditions, d/b/a N.T.T., Incorporated; Fantasma; Fiberlok, Incorporated; Fine Host Corporation; Fit for Sports; Fleer Corporation; Foot-Tec Industries; Ford Motor Company; Fossil, Incorporated; Foster Industries, Incorporated; Fox

Entertainment Group, Incorporated; Franco Apparel Group, Incorporated; Franklin Sports Industries, Incorporated; Fremont Die Consumer Products, Incorporated; Front Pages Company; FSC Wallcoverings; Galoob Toys, Incorporated; Garan Incorporated; General Mills, Incorporated; Genesis Direct, Incorporated; GFG Incorporated; Gill Apparel Group/Carl Banks; Good Stuff Corporation; Great American Products, Incorporated; Gridiron Golf; Gridiron Group; Grossman Cap Company Incorporated; H & H Furniture Manufacturing, Incorporated; Haddad Apparel Group Limited; Hallmark Emblems, Incorporated; Hallmark Licensing; Hasbro, Incorporated; Hasbro Toy Company; Hasbro Toy Group; Head Games; Helene Curtis, Incorporated; Hershey Food Corporation; Highgate Products LLC; Highland Mint; Home Innovations; Host Apparel; Hot Sauce Harry's; HPI; Hunter Manufacturing Group; Hunter Media; Hutch Sports USA; Ichauway Mills Incorporated; Identity, Incorporated; Ideal Rubber Products Company; Illinoy Toy, (Candy Cargo); IMC Products Corporation; Imprinted Products Corporation; Indianapolis Colts; Innovo Group Incorporated; Inventure Disk; Iron Knights/Chinin USA Incorporated; Its Academic; Jacksonville Jaguars, t/a Jacksonville Jaguars, Limited; J.D. Healy Specialties, Incorporated; J.F. Sports Company; J.W. Envisions, d/b/a Ultimate Vision; Jay Franco And Sons, Incorporated; Jeff Hamilton; Jester Company; John F. Turner & Company, Incorporated; John H. Harland Company; Joy Athletic; Kansas City Chiefs, t/a Kansas City Chiefs Football Club, Incorporated, Football Club, Incorporated; Kelly Russell Studios, Incorporated; Ken Norton Jr.'s Stars & Legends;

Kenner Products; Kool Sport; Kooler Kraft; Kraft Foods, Incorporated; Kurt S. Adler; La Rue International; Legends Athletic; Lightfoot Photography; Limited Treasures, Incorporated; Logo Athletic, Incorporated; Lumatec Industrial; Majestic Athletic Wear, Limited; MBI, Incorporated; MBNA America, a/k/a MBNA Marketing Systems, Incorporated, a/k/a MBNA Corporation, a/k/a MBNA America Bank, N.A.; McArthur Towels, Incorporated; McKimson Productions, Incorporated; The Mead Corporation; Meltzer Industries; MGI USA Incorporated; MGWhiz, Incorporated; Miami Dolphins, t/a Miami Dolphins, Limited; Michael Anthony Jewelers, Incorporated; Microsoft Corporation; Midatlantic Bottling, Limited; Midway Games, Incorporated; Midwest Swiss Embroideries Company, Incorporated; Miggle Toys, Incorporated; Miller Brewing Company; Mind Power; Mine Safety Appliances Company; Minnesota Vikings; Mirage, Division of Elliot Kastle, Incorporated; Henry Modell & Company, Incorporated, a/k/a Modell's Maryland, Incorporated, a/k/a Modell's, Incorporated; Moretz Mills, Incorporated; Motion Vision; Motorola, Incorporated; Mounted Memories, Incorporated; Museums Editions, Limited; NanCo, Nancy Sales Company; Nardi Enterprises, Incorporated; National Broadcasting Company, Incorporated; National Design Corporation; National Embroidered Emblem, a/k/a National Emblem, Incorporated; National Mat; New England Patriots, t/a New England Patriots L.P.; New Era Cap Company, Incorporated; New Life Art, Incorporated; New Orleans Saints, t/a New Orleans Louisiana Saints Limited Partnership; New York Giants, t/a New York Football Giants, Inc.; New York Jets, t/a New York Jets Football Club,

Incorporated; NFL Enterprises LP, a/k/a NFL Enterprises Incorporated; NFL, Incorporated, a/k/a National Football League, Incorporated; National Football League, Incorporated Films, a/k/a NFL Films, Incorporated; Nicholas Simon Company; Nike, Company; Nike, Incorporated; Norman James Company, Limited, a/k/a Norman James International Corporation; North American Boot Company; NTN Communications, Incorporated; Nutmeg Mills, VF Corporation; Oakland Raiders, a/k/a The Oakland Raiders; Oakley, Incorporated; Orange Products, Incorporated; Outerstuff Corporation, d/b/a Outerstuff, Limited; Overtime Sports, Incorporated; Oxboro Outdoors; P&K Products Company, Incorporated, a/k/a PK Products Company; Pacific Trading Cards, Incorporated; Papel/Freelance Inc; Paul Arpin Van Lines, Incorporated; Penquin Products, Incorporated; Penninsula Vending, Incorporated; Pentagram, Incorporated, Best Bets; Pentech International, Incorporated; Pepsico, Incorporated; Pepsi-Cola Operating Company of Chesapeake & Indianapolis; Peter David, Incorporated; Philadelphia Eagles, t/a The Philadelphia Eagles Football Club, Inc.; Photo File Incorporated; Picture Me Books; Pine Hosiery Mills, Incorporated; Pinnacle Brands, Incorporated; Pittsburgh Steelers, t/a Pittsburgh Steelers Sports, Incorporated; Pique Embroidery; Playoff Corporation; Plymouth, Incorporated, d/b/a P.A. Plymouth, Incorporated; Positive Image Bracing System; Premier Concepts Incorporated; Pro Cube, Incorporated; Pro Elite, Incorporated; Pro Look, Incorporated; Pro Moves International, Incorporated; Pro Starr LLC; Pro-Peller Div/IMC Products; Proctor & Gamble; Progressive Insurance, d/b/a Progressive

Casualty Insurance Company; Provident Bank of Maryland; PSINet, d/b/a PSINet, Incorporated; Pyramid, Incorporated, d/b/a Pyramid Accessories, Incorporated; Quaker Oats Company, a/k/a The Quaker Oats Company; Racing Champions, Incorporated; Ralph Marlin & Company, Incorporated; RCA Consumer Electronics; Reebok International Limited; Regal Ware, Incorporated; Renaissance Editions; Rhode Island Novelty, a/k/a Rhode Island Novelty, Incorporated; Rico Industries, Incorporated; Ridell Incorporated; Rival Company; Rossmor Industries; Roxbury Industries, d/b/a Roxbury Industries Corporation; Russ Berrie & Company, Incorporated; Russell Athletic; Russell Corporation; San Diego Chargers, t/a Chargers Football Company; San Francisco 49ers, t/a San Francisco Forty Niners, Limited; Sanctuary Woods Multimedia; Sanford Berol USA, a/k/a Sanford L.P.; Saranac Glove Company; Sara Lee Knit Products, d/b/a Sara Lee Corporation; Sassi, a/k/a Sassi, Incorporated; Schuessler Knitting Mills; Scott Editions; SDI Technologies; Sears Roebuck And Company; Seattle Seahawks, t/a Football Northwest LLC; Sega of America, Incorporated; Seven Sons & Company, Incorporated; Shaw Creations, Incorporated; Shiara Holdings; Shirt Xplosion; Shoeware; Sierra Sun Editions; Signal Apparel Company, Incorporated; Simpson Products; Siskiyou Buckle Company; Smart Dog Products, d/b/a Smart Dog Products, Incorporated; Smithmark Publishing, Incorporated; Snap On Tools, d/b/a Snap-On Technologies, Incorporated; Sony Interactive; Southern Maryland Imports, Incorporated; Southwest Airlines; Sport Cook, Incorporated; Sportacular Art; Sports Accessories; Sports

Coverage; Sports Illustrated Magazine, a/k/a Time Inc.; Sports Section; Sportscast; Sportspro Marketing; Sportstar; Sprint Communications Company L.P.; St. Louis Rams, t/a St. Louis Rams Partnership; Staples, Incorporated, d/b/a Staples the Office Superstore, Incorporated; Starline, Incorporated, a/k/a Starline Novelties Incorporated; Starter Corporation; Starwave Corporation; Sterling Sports, Incorporated; Stuffins, Incorporated; Stylus; Subtle Perfection; Sugar Plum; Sun Time Enterprises, Incorporated; Suncast Corporation; Swiss Army Brands, d/b/a Swiss Army Brands, Incorporated; Swiss Maid; Tabletop Enterprises; Tampa Bay Buccaneers; Team Editions Auto; Team Golf; Teamworks, Incorporated; Tennessee Titans; Terrisol, d/b/a Terrisol Corporation; Terry Manufacturing; The Bradford Exchange; The Northwest Company, d/b/a Wilmington Products USA Incorporated; The Party Animal, Incorporated; The Pasta Shoppe; The Snack Factory, Incorporated; The Topps Company, Incorporated; The Upper Deck Company, LLC; Walt Disney Company, Incorporated; The Wormser Company; Thermo-Serv, Incorporated; Time Warner Entertainment Company, L.P.; Titleist and Footjoy Worldwide; Toon Art, Incorporated; Topperscot, Incorporated, d/b/a T. Swanson Incorporated; Toy & Sport Trends, Incorporated; Treasure Chest Novelty Corporation; Triumph Publishing; Tultex Corporation, Logo Athletic; Tundra/Standard Knitting Incorporated; Turbo Sportswear, Incorporated, d/b/a Turbo Holding Incorporated; Turner National Television; Twenty Fourth And Dean, Incorporated; Twins Enterprises, Incorporated; Ultimate Vision; Unique Premium Products; Unique Sports Generation;

Universal Heights, Incorporated; Universal Marketing Associates, Incorporated; USA Games; USA Licensed Bows; Uvex Safety, Incorporated; V. Fraas, d/b/a V. Fraas (UDS) Incorporated; Vermont Teddy Bear, d/b/a The Vermont Teddy Bear Company, Incorporated; VF Knitwear, Incorporated; Voyager Emblems, Incorporated; Washington Redskins; Waterford Wedgewood USA, Incorporated; Wells Lamont; Wemco; White Rose Collectibles; Williams Electronic Games, Incorporated; Williams Industries, Incorporated; Willow Hoisery Company, Incorporated; Wilson Sporting Goods, Company; Wincraft, Incorporated; Winner Distributing Company; Workman Publishing Company, Incorporated; Xerox Corporation; Zippo Manufacturing Company; 4 Sports Incorporated; 989 Studios; Pepsi-Cola Metropolitan Bottling Company, Incorporated; Custom Edge, Incorporated; Global Recognition; J. C. Penney Company, Incorporated; Venator Group, Incorporated, t/a Champs Sports, t/a Foot Locker, a/k/a Venator Retail Group, Incorporated; Mouse Products, Incorporated; B&B Holdings, Incorporated, d/b/a Arizona Cardinals; At-A-Glance Corporation, t/a The Mead Corporation, d/b/a At-A-Glance Group, a Subsidiary of the Mead Corporation; The Five Smiths, Incorporated, d/b/a Atlanta Falcons; Aurafin LLC; Authentic Images, Incorporated; Bentley Lingerie, Incorporated, a/k/a Bentley; Buffalo Bills, Incorporated, a/k/a Buffalo Bills; Richardson Sports Limited Partnership, d/b/a Carolina Panthers; Chicago Bears Football Club, Incorporated, a/k/a Chicago Bears; Commemorative Brands, Incorporated; Crown Crafts, Incorporated; Crown Central LLC; Crown Pro, Incorporated; Denver Broncos Football Club, a/k/a Denver Broncos;

The Detroit Lions, Inc.; Buena Vista Books; Drew Pearson Marketing, Incorporated; Electronic Arts Incorporated; Fleer Sky/Box International, LP; Foley-Martens Company; For Bare Feet, Incorporated; A.R.C. Holdings, Limited, d/b/a Fox Sports Direct; F. Schumaker & Company, a/k/a Village Wall Coverings; General Mills Sales, Incorporated; Green Bay Packers, Incorporated; Hallmark Cards, Incorporated; Candy Cargo; Mcdonald's Corporation; Papel Giftware, Incorporated; The Pfaltzgraff Company; Thomson Consumer Electronics, Incorporated; Triatic, Incorporated; Kentex; Licensed Lifestyles, Incorporated, d/b/a Tag Express; Dan River Incorporated; Coca-Cola Enterprise, d/b/a The Mid-Atlantic Coca-Cola Bottling Company, d/b/a The Mid-Atlantic Coca-Cola Bottling Company; Timezone Products; Turner Network Television, LP, LLP; SBM, Incorporated, d/b/a Scoreboard Memories; Bacou USA Safety, Incorporated; Pro Football, Incorporated; Nike Retail Services, Incorporated; NFL Productions, LLC; McMeel Publishing, formerly known as Andrews & McMeel; Biederlack of America, d/b/a Cushion Craft Andrews & McMeel; Biederlack of America, d/b/a Cushion Craft Biederlack Corporation; Vivendi Universal Games, Incorporated, formerly known as Cendant Software Corporation; Sierra Entertainment, Incorporated, formerly known as Sierra On-Line, Incorporated; Donruss Playoff; Summit America Television, Incorporated, formerly known as Shop at Home Incorporated; Football Northwest LLC; Tennessee Football, L.P., d/b/a Cumberland Football Management, Incorporated; Bow Line Family Products, d/b/a Bowline Family Products; Cendent

Software; Golden Golf; Kittrich Corporation; KR Industries Incorporated; Milton Bradley, d/b/a Hasbro, Incorporated; Sierra Online; Lifestyles, Incorporated, d/b/a Tag Express; Treat Entertainment; VF Knitwear, Incorporated; Village Wall Coverings; Xpress Corporation, Action Images, Incorporated; Adams U.S.A., Incorporated, d/b/a Neuman Tackified Glove; Allure Home Creation Company, Incorporated; America's Sweetheart; Baron Group, Incorporated; Alphabet City Records, Incorporated; Big Fork Boot Company; Brimms, Incorporated; Dolly, Incorporated; Everlasting Images, Incorporated; Foot Locker; Foto Fantasy; Fremont Consumer Die; Fruit of the Loom, Limited; Fuji Photo Film; Futech Designs; G-III Apparel Group, Limited; Gilman Gear; Global One Distribution & Merchandising; Golden Harvest Popcorn, Incorporated; Gotta Go, Incorporated, d/b/a Head Sokz; Harper Collins; Houston Harvest Gift Products, LLC; Kimberly Clark Corporation; Maxit Designs; Play-By-Play Toys & Novelties; Pro Team Playables; Salvino, Incorporated; Score Board; Simplicity Manufacturing; Sports Specialties; Tasco Sales, Incorporated; Team Mouse; United Parcel Service, Incorporated; US Playing Card Company; Warner Brothers; York Barbell Company, Incorporated; The Bibb Company, d/b/a Dan River Incorporated, Baltimore Ravens Limited Partnership; Baltimore Ravens Football Club, Incorporated; Baltimore Stadium Company, LLC

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CITATIONS TO OPINIONS BELOW

The decision and opinion of the United States Court of Appeals for the Fourth Circuit is reported as *Bouchat v. Bon-Ton Dept. Stores, Inc., et al.*, 506 F.3d 315 (4th Cir. 2007). (Pet. App. A-1). The Memorandum and Order entered August 22, 2003 by the United States District Court for the District of Maryland is reported as *Bouchat v. Champion Products, Inc., et al.*, 327 F. Supp. 2d 537 (D. Md. 2003). (Pet. App. A-32-67).

JURISDICTIONAL STATEMENT

Jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1). The judgment of the United States Court of Appeals for the Fourth Circuit was entered on October 17, 2007. (Pet. App. A-1). The Court of Appeals denied a Petition for Rehearing and for Rehearing *En Banc* on November 13, 2007. (Pet. App. A-72).

STATUTES INVOLVED

The statutes involved in the case, 17 U.S.C. § 106, 17 U.S.C. § 412, 17 U.S.C. § 501, and 17 U.S.C. § 504, have been reproduced in the appendix. (Pet. App. A-73).

STATEMENT OF THE CASE

This case raises issues concerning the preclusive effect of a prior judgment against contributing infringers for copyright infringement in subsequent suits against direct infringers of the same work and whether, given the limitation on statutory damages under 17 U.S.C. § 412(1) that such damages may not be awarded for "any infringement...commenced before the effective date of its registration," the term "commenced" insulates the direct infringers from

their post-registration infringements based on the date of first infringement by the contributing infringers. The District Court entered judgments against the direct infringers on the issue of infringement, but awarded no monetary recovery. (Pet. App. A-26, 30, 68 & 70). The Fourth Circuit affirmed the District Court and held that the copyright owner could not recover statutory damages and that claim preclusion prevented the owner from recovering actual damages. (Pet. App. A-2-3).

This case stems from the move of the former Cleveland Browns to Baltimore following the 1995 National Football League ("NFL") season. (Pet. App. A-33). In March of 1996, the team announced that it would adopt the name Baltimore Ravens and a new logo. (Pet. App. A-34). In April of 1996, the Baltimore Ravens, Inc. ("Ravens") and National Football League Properties, Inc. ("NFLP") copied Petitioner Frederick E. Bouchat's work in virtually identical form and used it as the primary logo of the Baltimore Ravens professional football team. (Pet. App. A-34-35). The Ravens used the infringing work on the team helmets and as the centerpiece of their marketing and branding activities. (Pet. App. A-35). The Ravens and NFLP authorized hundreds of commercial entities to use the infringing work for a variety of commercial purposes (collectively "licensees").[1] (Pet. App. A-39). The licensees included: NFL-related entities, such as NFL teams, NFL Films, and NFL Enterprises; NFL sponsors that utilized the infringing work in advertisements; publishers of game day magazines; broadcast and

[1] Some of these "licensees," or downstream users, had a contractual relationship with the Ravens or NFLP while others had an implied authorization. (Pet. App. A-5, 39).

media entities that used the infringing work in their programming and advertisements; and large commercial retailers and distributors, video game manufacturers, trading card manufacturers, and manufacturers of consumer products that utilized the infringing work on the exterior of their products. Many of these licensees are the Respondents in these cases. (Pet. App. A-5, 39).

In 1997, Petitioner filed the prior action in the United States District Court for the District of Maryland (Northern Division) against the Ravens and the NFLP (*Bouchat I*). (Pet. App. A-36). The District Court bifurcated the case between liability and damages, and a jury returned a verdict in favor of Petitioner, finding that the Ravens and NFLP had violated his copyright. The District Court certified an interlocutory appeal and stayed the action pending appeal. *Id.* The Fourth Circuit affirmed in a split decision, with Judge King dissenting. *Bouchat v. Baltimore Ravens Football Club, Inc.*, 241 F.3d 350 (4th Cir. 2000), *cert. denied* 532 U.S. 1038 (2001).

In *Bouchat I,* Petitioner sought a portion of the Ravens' and NFLP's profits attributable to the infringement under 17 U.S.C. § 504(b), but did not seek actual damages under § 504(b) or statutory damages under § 504(c).[2] (Pet. App. A-37). Petitioner did not seek to recover a portion of the licensees' profits from the Ravens and NFLP, and the profits of the licensees were not an issue in

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[2] Petitioner was not eligible for statutory damages under § 504(c) due to the limitation in § 412(1) (Pet. App. A-74) because he had not registered his work prior to the first infringement by the Ravens or NFLP.

discovery or in trial. The District Court granted partial summary judgment in favor of the Ravens and NFLP so as to limit the damages at trial to certain lines of consumer merchandise revenue on the basis that Petitioner could recover the infringers' profits only to the extent that the attractiveness of the infringing work as a work of art induced the economic relationship or caused the decision to purchase. (Pet. App. A-37). A different jury than the one deciding liability returned a verdict that no portion of the revenue derived from licensing consumer products was attributable to Petitioner's work, and the District Court entered a final judgment in Petitioner's favor, determining that the Ravens and NFLP infringed Petitioner's copyright but that Petitioner was not entitled to a monetary recovery. (Pet. App. A-4-5, 37-39). The Fourth Circuit affirmed with Judge Widener dissenting. *Bouchat v. Baltimore Ravens Football Club, Inc.*, 346 F.3d 514 (4th Cir. 2003), *cert. denied* 541 U.S. 1042 (2004).

While *Bouchat I* was on interlocutory appeal, Petitioner initiated three civil actions for copyright infringement in the United States District Court for the District of Maryland (Northern Division) against the various Respondents under the copyright laws of the United States, i.e., 17 U.S.C. §§ 501 *et seq.* (Pet. App. A-5). The three actions were: *Bouchat v. Champion Products, Inc., et al.* (Case No. MJG-99-1576); *Bouchat v. Baltimore Ravens Ltd. P'ship, et al.* (Case No. MJG-01-647); and *Bouchat v. K-Mart Corp., et al.* (Case No. MJG-01-1996). Subsequently, Petitioner filed a fourth civil action in the same court under the copyright laws of the United States naming only 7-Eleven, Inc. (Civil Case No. MJG-03-

2229). (Pet. App. A-5). Jurisdiction of the District Court for all four actions was invoked pursuant to 28 U.S.C. § 1338(a).

In view of the interlocutory appeal in *Bouchat I*, the District Court – on its own initiative – stayed these actions until the conclusion of the interlocutory appeal by the Ravens and NFLP concerning liability and, subsequently, continued the stay until after the Fourth Circuit ruled on Petitioner's appeal concerning profits. (Pet. App. A-5). After the stay, but prior to the Respondents' answering the Complaint or any discovery, Respondents moved for summary judgment based on the judgment in *Bouchat I*. Petitioner countered with his own motion requesting that the Court enter partial summary judgment that *Bouchat I* conclusively determined Petitioner's copyright in the work for purposes of these actions. (Pet. App. A-6). Petitioner did not request a finding that Respondents used Bouchat's work, and there is no evidence or admission that Respondents actually used Petitioner's work. (Pet. App. A-41-45).

The District Court entered judgments in favor of Petitioner, determining that Respondents used Petitioner's work and infringed Petitioner's copyright, but awarded Petitioner no monetary recovery.[3] (Pet. App. A-26, 30, 68, & 70). As for 17 U.S.C. § 504(b), the District Court held that Petitioner had not sought actual damages (Pet. App.

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[3] The District Court's consolidated Memorandum Opinion in Case Nos. MJG-99-1576 and MJG-01-1996 (Pet. App. A-32-67) was adopted by reference in the other two cases (Case Nos. MJG-01-647 and MJG-03-2229). (Pet. App. A-24 & 28).

A-46) and that Petitioner was precluded in these actions, by virtue of the determination concerning the apportionment of profits in *Bouchat I*, from seeking a portion of the Respondents' profits attributable to their infringements. (Pet. App. A-46-50). The District Court also concluded that Petitioner was not entitled to statutory damages on the grounds, among others, of *res judicata* (claim preclusion) and that 17 U.S.C. § 412(1) (Pet. App. A-74) proscribes statutory damages for "any infringement of copyright . . . commenced before the effective date of its registration . . . ." (Pet. App. A-50-55 & A-60-62). Altogether, the District Court adjudicated 581 Respondents copyright infringers, including approximately 100 unrepresented Respondents, without any evidence in the record that any particular Respondent actually used the Ravens' logo. (Pet. App. A-41-45).

The Fourth Circuit consolidated the four cases and affirmed the District Court *sub nom. Bouchat v. Bon-Ton Department Stores, Incorporated, et al.* Judge M. Blane Michael wrote the opinion of the two-member Panel, with a concurring opinion by Judge Paul V. Niemeyer.[4] The Fourth Circuit found that the District Court had erred in overlooking Petitioner's claim for actual damages in the form of a reasonable royalty from Respondents. (Pet. App. A-7-8). The Fourth Circuit, however, "conclude[d] that the doctrine of claim preclusion prevents Appellant Bouchat from obtaining actual damages from the licensees and that his failure to register his copyright before infringement began renders him

[4] Judge H. Emory Widener, Jr. participated in the September 21, 2005 oral argument but passed away before the decision was filed.

ineligible for statutory damages." (Pet. App. A-2-3). The Fourth Circuit reasoned that the Respondents had participated in the very same acts of infringement for which Petitioner sought to hold the Ravens and NFLP responsible in the prior action and, therefore, were responsible jointly and severally as joint tortfeasors. (Pet. App. A-10-13). As to statutory damages (Pet. App. A-13-20), the Fourth Circuit reasoned "that a copyright owner may not obtain statutory damages from a licensee liable jointly and severally with a licensor when the licensor's first infringing act occurred before registration and was part of the same line of related infringements that included the licensee's offending act." (Pet. App. A-18).

REASONS FOR GRANTING THE WRIT

The Fourth Circuit has so far departed from and sanctioned the District Court's departure from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's supervisory power. The Fourth Circuit has decided an important federal question of law in a manner that is in clear disregard and in direct conflict with the relevant decisions of this Court concerning the preclusive effects of judgments. The decision is also in conflict in principle with the interpretation placed on 17 U.S.C. § 412(1) by the Fifth and Sixth Circuits concerning the availability of statutory damages for post-registration infringements.

The Decision disregards the fundamental and elementary distinction between claim preclusion and issue preclusion so as to preclude some, but not all, issues in a subsequent action against co-infringers of the same work. The Decision reaches the merits of

liability in favor of Petitioner, as well as the merits of statutory damages in favor of Respondents, while holding that "the doctrine of claim preclusion prevents [Petitioner] from obtaining actual damages." (Pet. App. A-2). This "hybrid" analysis eliminates the well-established and fundamental distinction between claim and issue preclusion, thereby placing the Decision in conflict with the decisions of this Court. In so doing, the Decision nullifies 17 U.S.C. § 504(a) that an infringer is liable for the remedies in § 504(b) & (c). What is more, the Decision sanctioned the District Court's rush to establish preclusion by which the District Court entered judgments adjudicating each of the 581 Respondents copyright infringers, including approximately 100 unrepresented Respondents, without a request from any party to do so or any evidence or admission that any Respondents actually used Petitioner's copyrighted work. (Pet. App. A-41-45).

The Decision encourages a copyright owner to name all possible infringers in one massive action regardless of whether they form a convenient unit for trial or be at risk that subsequent actions against co-infringers will be merged into the prior judgment. The Decision incentivizes and protects those who participate in mass infringements. A copyright owner who brings a successful action against a Napster or a Grokster for copyright infringement of a particular work would be precluded under the Fourth Circuit's analysis from seeking alternative remedies under 17 U.S.C. § 504(b) from direct infringers of the same work in a subsequent action.

THE DECISION DISREGARDS THE FUNDAMENTAL AND ELEMENTARY LAW OF JUDGMENTS AND IS IN CONFLICT WITH THE DECISIONS OF THIS COURT CONCERNING THE DIFFERENCE BETWEEN CLAIM PRECLUSION AND ISSUE PRECLUSION.

Nearly 150 years ago, the Court, in *Cromwell v. Sac County*, 94 U.S. 351, 352-53 (1876), explained the difference between what have since become known as claim preclusion and issue preclusion:

> In the former case, the judgment, if rendered upon the merits, constitutes an absolute bar to a subsequent action. It is a finality as to the claim or demand in controversy, concluding parties and those in privity with them, not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any other admissible matter which might have been offered for that purpose.
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> * * *
>
> But where the second action between the same parties is upon a different claim or demand, the judgment in the prior action operates as an estoppel only as to those matters in issue or points controverted, upon the determination of which the finding or verdict was rendered.

The Court has reiterated these principles through the years. *See, e.g., City of New Orleans v. Citizens' Bank of Louisiana*, 167 U.S. 371, 396-97 (1897);

United Shoe Machinery Corp. v. United States, 258 U.S. 451, 458-59 (1922); *Chicot County Drainage Dist. v. Baxter State Bank*, 308 U.S. 371, 377-78 (1940); *Comm'r of Internal Revenue v. Sunnen*, 333 U.S. 591, 597-98 (1948); *Lawlor v. National Screen Service Corp.*, 349 U.S. 322, 326-27 (1955); *Montana v. United States*, 440 U.S. 147, 153-54 (1979); *Park Lane Hosiery v. Shore*, 439 U.S. 322, 326 n.5 (1979); *Allen v. McCurry*, 449 U.S. 90, 94-96 (1980); *Nevada v. United States*, 463 U.S. 110, 129-30 (1983); *Semtek Int'l., Inc. v. Lockheed Martin Corp.*, 531 U.S. 497, 502 (2001); *San Remo Hotel, L.P. v. City and County of San Francisco, Cal.*, 545 U.S. 323, 336 n.16 (2005).

Judge Learned Hand, in 1926, citing, among others, *Cromwell*, 94 U.S. at 352-53, articulated what has been referred to as the "classic" statement[5] concerning the difference between claim preclusion and issue preclusion:

> A judgment may be a merger or bar, or it may be an estoppel. For the first, the cause of action must be the same; for the second, they may be as different as possible. On the other hand, the merger or bar extends, not only to all matters pleaded, but to all that might have been, while the estoppel extends only to facts decided and necessary to the decision. All this is very old law.

Irving Nat'l Bank v. Law, 10 F.2d 721, 724 (2d Cir. 1926) (also citing *United Shoe Machinery Corp*, 258 U.S. at 458-59; *Myers v. Int'l Trust Co.*, 263 U.S. 64

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[5] *See Kaspar Wire Works, Inc. v. Leco Eng'g & Mach., Inc.*, 575 F.2d 530, 536 n.10 (5th Cir. 1978).

(1923); *United States v. Moser*, 266 U.S. 236 (1924)). As the Court has also noted, claim preclusion encompasses the law of merger and bar. *Migra v. Warren City School Dist. Bd. of Educ.*, 465 U.S. 75, 77 n.1 (1984) (*citing* Restatement (Second) of Judgments and 18 C. Wright, A. Miller, & E. Cooper, Federal Practice and Procedure § 4402 (1981)). Thus, "[w]hen a plaintiff obtains a judgment in his favor, his claim 'merges' in the judgment; he may seek no further relief on that in a separate action. Conversely, when a judgment is rendered for a defendant, the plaintiff's claim is extinguished; the judgment then acts as a 'bar.'" 18 C. Wright, A. Miller, & E. Cooper, Federal Practice and Procedure § 4402 (*quoting Kaspar Wire Works, Inc., supra* note 5, 575 F.2d at 535).

The courts of appeals uniformly hold that under claim preclusion, the first judgment precludes the entire subsequent action, whereas issue preclusion only applies to issues actually litigated and decided: *Gonzalez-Pina v. Rodriguez*, 407 F.3d 425, 429-30 (1st Cir. 2005); *Transaero, Inc. v. La Fuerza Aerea Boliviana*, 162 F.3d 724, 731 (2nd Cir. 1998); *Post v. Hartford Ins. Co.*, 501 F.3d 154, 169 (3rd Cir. 2007); *Pueschel v. United States*, 369 F.3d 345, 354-56 (4th Cir. 2004); *Blanchard v. St. Paul Fire & Marine Ins. Co.*, 341 F.2d 351, 359 (5th Cir. 1965); *Test Masters Educ. Services, Inc. v. Singh*, 428 F.3d 559, 571-72 (5th Cir. 2005); *Blakely v. United States*, 276 F.3d 853, 866 (6th Cir. 2002); *Cole v. Bd. of Tr. of Univ. of Illinois*, 497 F.3d 770, 772-73 (7th Cir. 2007); *Mills v. Des Arc Convalescent Home*, 872 F.2d 823, 826 (8th Cir. 1989); *F.T.C. v. Garvey*, 383 F.3d 891, 897 (9th Cir. 2004); *B-S Steel of Kansas, Inc. v. Texas Indus., Inc.*, 439 F.3d 653, 661 (10th Cir. 2006); *In re Omine*,

485 F.3d 1305, 1312 (11th Cir. 2007); *Natural Resources Defense Council, Inc. v. Thomas*, 838 F.2d 1224, 1251-52 (D.C. Cir. 1988); *Ammex, Inc. v. United States*, 334 F.3d 1052, 1055 (Fed. Cir. 2003); *Sharp Kabushiki Kaisha v. Thinksharp, Inc.*, 448 F.3d 1368, 1370 (Fed. Cir. 2006).

The courts below disregarded this fundamental and universally established distinction between claim and issue preclusion.[6] *See* Restatement (Second) of Judgments § 17 (1982); Introductory Notes before Restatement (Second) of Judgments Chapter 3 and before Chapter 3, Topic 2; 18 C. Wright, A. Miller, & E. Cooper, Federal Practice and Procedure § 4402 (1981). The District Court decided the issue of liability in favor of Petitioner (Pet. App. A-41-45) and then the issues of actual damages (Pet. App. A-46), the apportionment of the Respondents' profits (Pet. App. A-46-50), and statutory damages. (Pet. App. A-50-66). The Fourth Circuit addressed the issue of liability (Pet. App. A-9) and also decided statutory damages (Pet. App. A-13-20), yet employed the prior judgment to preclude Petitioner from seeking actual damages. (Pet. App. A-8-13). Thus, the preclusion was not to the entire claim but to an issue, one not raised or decided in the prior action.

The Decision's application of claim preclusion to an issue effectively eliminates the requirement under issue preclusion that an issue actually have been litigated and decided in the previous action.

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[6] Petitioner devoted a substantial portion of his brief in the Fourth Circuit, at 3, 21-35, to the issue of whether the District Court erred in applying claim preclusion instead of issue preclusion to the issue of statutory damages, but the Fourth Circuit did not address this issue or the appropriateness of its own use of claim preclusion instead of issue preclusion.

But see Lawlor, 349 U.S. at 326 & n.6 (citing *Cromwell* and stating "The basic distinction between the doctrines of res judicata and collateral estoppel, as those terms are used in this case, has frequently been emphasized."); *Kaspar Wire Works, Inc.*, 575 F.2d at 536 n.10 (noting that the extension of issue preclusion to encompass some issues not litigated would narrow or eliminate the distinction between claim preclusion and issue preclusion).

THE DECISION USES CLAIM PRECLUSION TO NULLIFY 17 U.S.C. § 504(a).

The 1976 Copyright Act, 17 U.S.C. § 106 (Pet. App. A-73), "confers a bundle of exclusive rights to the owner of the copyright." *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 546 (1985). The exclusive rights conferred by § 106 are "to do and to authorize" the reproduction, adaptation, publication, public performance and display of the copyrighted work. The rights granted by § 106 are separate and distinct and are severable from one another.[7] *Columbia Pictures Industries, Inc. v. Redd Horne, Inc.*, 749 F.2d 154, 158 (3d Cir. 1984); H.R. Rep. No. 94-1476 at 61, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5674-75. Section 501(a) of the Copyright Act ("Infringement of copyright")(Pet. App. A-75) provides in part that: "[a]nyone who violates any of the exclusive rights of the copyright

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[7] Proof that Defendants in *Bouchat I* violated one or more of Bouchat's exclusive § 106 rights did not establish that the Defendants here reproduced, distributed or displayed Bouchat's work or even used it. There is no evidence in the record indicating which Defendants, except for perhaps two, ever used Bouchat's work, and none of the Defendants ever admitted or denied using Bouchat's work because they did not answer the complaint, given the preliminary nature of Defendants' motion.

owner as provided by section[ ] 106 ... is an infringer of the copyright or right of the author, as the case may be."[8] 17 U.S.C. § 501(a). (Emphasis added). Section 504(a)("In General") (Pet. App. A-78) provides that "an infringer of copyright is liable for either—(1) the copyright owner's actual damages and any additional profits of the infringer, . . . or (2) statutory damages . . ." Thus, § 504(a) makes each infringer liable for the remedy set forth in § 504.

"Courts have long held that in patent, trademark, literary property, and copyright infringement cases, any member of the distribution chain can be sued as an alleged joint tortfeasor." *Stabilisierungsfonds Fur Wein v. Kaiser Stuhl Wine Distributors Pty. Ltd.*, 647 F.2d 200, 207 (D.C. Cir. 1981) (Ginsberg, J.). Yet, the Decision invokes claim preclusion as to co-infringers in a subsequent action without addressing the import of § 504(a). Judge Niemeyer, however, explains in his concurrence that while the Copyright Act encourages claim splitting, federal judicial policy encourages resolving in one action all claims arising out of a transaction or occurrence and "the Copyright Act pulls in tension from traditional joinder and claim preclusion policies and tends to undermine good judicial administration aimed at efficiency and justice." (Pet. App. A-23). Judge Niemeyer also acknowledges that absent the claim preclusion, the Court of Appeals "would face almost irresolvable issues presented by this multi-party

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[8] At such time as a particular licensee in the instant cases violated Petitioner's rights under § 106, that licensee became a direct infringer and NFLP and the Ravens, as the licensors, contributing infringers. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930-31 (2005).

licensing infringement case" in that the Copyright Act "is not susceptible to a straightforward application when multiple infringements by multiple parties arise from a single work." (Pet. App. A-20).

THE DECISION IS IN CONFLICT IN PRINCIPLE WITH THE FIFTH AND SIXTH CIRCUITS CONCERNING THE INTERPRETATION OF 17 U.S.C. § 412(1).

Petitioner did not seek actual damages in the first action and could not have successfully claimed statutory damages because the Ravens and NFLP had infringed before registration. The Fourth Circuit noted that the infringers in the first action were not parties to the instant cases and none of the infringing licensees were responsible for the initial infringement. (Pet. App. A-18). Nonetheless, the Fourth Circuit took the view that 17 U.S.C. § 412(1) "subjects a licensor-licensee to the same tracing rule that would apply to either one as an individually liable infringer." *Id.* Thus, the Decision "trace[d] the licensee's post-registration infringing conduct back to NFLP's pre-registration conduct." *Id.* This was so even though the post-registration infringements were the subject of a separate action and occurred after constructive or actual notice of Petitioner's copyright registration in the prior action – in other words, willful infringement.

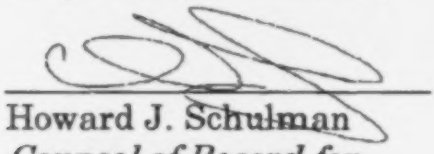
The Decision failed to appreciate that statutory damages are awarded under § 504(c)(1) "for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally . . . ." (Pet. App. A-78). As such, the Fifth Circuit takes a different view

of § 412(1) than the Fourth Circuit. *See Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143-44 (5th Cir. 1992). In affirming a district court's reading of § 412 that the term "infringement" meant "all of a defendant's acts of infringement of any one work," the Fifth Circuit stated "that a plaintiff may not recover an award of statutory damages . . . for infringements that commenced after registration if the same defendant commenced an infringement of the same work prior to registration." The Fifth Circuit reasoned that § 412 was ambiguous and must be read in light of the restriction in § 504(c) that the number of statutory damage awards is not dependent on the number of infringements of a particular work by a particular defendant but on the number of infringers liable in an action for the infringement of the particular work. Similarly, the Sixth Circuit in *Johnson v. Jones*, 149 F.3d 494, 505-06 (6th Cir. 1998), noting that "[c]onstructive notice of a valid copyright is presumed upon registration," held that "[u]nder § 412, statutory damages . . . are reserved for infringers who had constructive notice that the work was covered by a valid copyright."

CONCLUSION

Petitioner, Frederick E. Bouchat, respectfully requests that the Supreme Court of the United States grant a writ of certiorari to review the judgment and opinion of the United States Court of Appeals for the Fourth Circuit.

Respectfully submitted,



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PUBLISHED
UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

Nos. 03-2173, 03-2174, 03-2389

FREDERICK E. BOUCHAT,

Plaintiff - Appellant,

v.

THE BON-TON DEPARTMENT STORES, INCORPORATED, ET AL.,

Defendants - Appellees,

Appeals from the United States District Court for the District of Maryland, at Baltimore.
Marvin J. Garbis, Senior District Judge.
(CA-01-1996-1-MJG; CA-99-1576-1-MJG; CA-01-647-MJG; CA-03-2229-MJG)

Argued: September 21, 2005
Decided: October 17, 2007
[Entered: October 17, 2007]

Before NIEMEYER and MICHAEL, Circuit Judges, and WIDENER,[1] Senior Circuit Judge.

Affirmed by published opinion. Judge Michael wrote the opinion in which Judge Niemeyer joined. Judge Niemeyer wrote a separate concurring opinion.

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[1] Judge Widener heard oral argument in this case but died prior to the time the decision was filed. The decision is filed by a quorum of the panel. 28 U.S.C. § 46(d).

COUNSEL

ARGUED: Howard J. Schulman, SCHULMAN & KAUFMAN, L.L.C., Baltimore, Maryland, for Appellant. Robert Lloyd Raskopf, WHITE & CASE, New York, New York, for Appellees. ON BRIEF: George Beall, HOGAN & HARTSON, L.L.P., Baltimore, Maryland; Marc E. Ackerman, WHITE & CASE, New York, New York, for Appellees.

OPINION

MICHAEL, Circuit Judge:

This is the latest in a series of appeals in copyright infringement cases arising out of the design and use of the logo for the Baltimore Ravens football team. In the first case, which concluded in 2004, Frederick E. Bouchat sued the Baltimore Ravens, Inc. (the Ravens) and National Football League Properties, Inc. (NFLP), alleging that these defendants had copied one of his drawings in choosing a logo for the Ravens. A jury considering liability found that the Ravens and NFLP had infringed Bouchat's copyright in the drawing, but a second jury considering damages awarded none. We affirmed in each of two appeals. In the four cases before us today, Bouchat sues several hundred companies (licensees) that used the infringing logo in various endeavors, including the production and marketing of official Ravens merchandise. In summary judgment proceedings in these cases, the district court held that the licensees had infringed Bouchat's copyright, but denied his requests for actual or statutory damages. Bouchat appeals the judgments, and we affirm. We conclude that the doctrine of claim preclusion prevents Bouchat from obtaining actual damages from the licensees and

that his failure to register his copyright before infringement began renders him ineligible for statutory damages.

I.

A.

In November 1995 the National Football League announced that the Cleveland Browns team was moving to Baltimore. The Browns name, however, was to be left in Cleveland, which required the relocated team to select a new name. Bouchat, an amateur artist who worked as a security guard in Baltimore, sketched several logos illustrating names (including the Ravens) being considered by the newly arrived team. On December 5, 1995, Bouchat drew a logo with a shield bearing the letter B and held by a raven (the Shield drawing). In March 1996 the Ravens name was officially chosen, and the NFL's marketing arm, NFLP, hired artists to begin logo design. On April 1 or 2, 1996, Bouchat faxed his Shield drawing to the Maryland Stadium Authority with a note asking the authority's chairman to send the drawing to the Ravens' owner. The note said that if the Ravens used his logo, Bouchat wanted a letter of recognition and an autographed helmet. After the Ravens had access to Bouchat's drawing, NFLP's artists created a logo called the Flying B. The Flying B depicted a winged shield bearing the letter B, and this logo bore a remarkable resemblance to Bouchat's Shield drawing. The Ravens team presented the Flying B to the public for the first time in June 1996, and the team used this logo until the end of the 1998 season. During the time the Flying B was the team logo, the NFLP licensed it as part of a package of all NFL team logos to

hundreds of manufacturers and retailers for use on Ravens merchandise. The team never gave Bouchat the recognition letter or autographed helmet he had requested. On July 25, 1996, Bouchat registered the Shield drawing with the U.S. Copyright Office.

In May 1997 Bouchat filed a copyright infringement action against the Ravens and NFLP in the U.S. District Court for the District of Maryland, *Bouchat v. Baltimore Ravens, Inc.* (*Bouchat I*), No. MJG-97-1470. He alleged that the Flying B infringed his copyright in the Shield drawing and that the defendants had earned profits from licensing the infringing work. The district court bifurcated the case into liability and damages phases. The jury in the liability phase found that the Ravens and NFLP had infringed Bouchat's copyright, and we affirmed in an interlocutory appeal. *Bouchat v. Baltimore Ravens, Inc.*, 228 F.3d 489 (4th Cir. 2000), *amended by and reh'g en banc denied by* 241 F.3d 350 (4th Cir.), *cert. denied*, 532 U.S. 1038 (2001).

In *Bouchat I*s damages phase Bouchat sought recovery under 17 U.S.C. § 504(a)(1), which allows a copyright owner to obtain actual damages plus any additional profits of the infringer. Bouchat claimed no actual damages but did seek infringer profits. Before the damages issue was submitted to the jury, the district court decided that the only component of the defendants' profits that could be attributed to the infringement for § 504(b) purposes was revenue from the sale of products bearing the Flying B. The jury then found that the defendants' income from such products "was attributable completely to factors other than the artwork of the Flying B." J.A. 388.

The district court entered judgment for the defendants on the jury's finding that Bouchat was entitled to no damages, and we affirmed, *Bouchat v.Baltimore Ravens Football Club, Inc.*, 346 F.3d 514 (4th Cir. 2003), *cert. denied*, 541 U.S. 1042 (2004).

B.

In the meantime, Bouchat brought four additional actions, which are the subject of this appeal, against several hundred "downstream defendants" for copyright infringement: *Bouchat v. Champion Prods., Inc.*, No. MJG-99-1576 (D. Md.) (*Bouchat II*); *Bouchat v. Baltimore Ravens Ltd. P'ship*, No. MJG-01-0647 (D. Md.) (*Bouchat III*); *Bouchat v. K-Mart Corp.*, No. MJG-01-1996 (D. Md.) (*Bouchat IV*); and *Bouchat v. 7-Eleven, Inc.*, No. MJG-03-2229 (D. Md.) (*Bouchat V*). Bouchat describes these downstream defendants as "NFL-related entities . . . who utilized the infringing work in advertisements, publishers of game day magazines, broadcast and media entities which licensed the use of the infringing logo," and makers of video games, trading cards, and other products that displayed the Ravens' Flying B. Appellant's Br. at 4-5. All of the downstream defendants used the logo with permission from NFLP, and NFLP required all of its licensees to submit proposed logo use to NFLP for approval. (Because every downstream defendant used the logo with either direct or indirect authorization from NFLP, we will refer to all of the downstream defendants as "licensees."). The district court held these four related cases in abeyance while it dealt with *Bouchat I*.

When *Bouchat I* concluded in the district court, litigation resumed in *Bouchat II* through *V* with Bouchat and the licensees cross-moving for summary judgment. The district court decided the summary judgment motions in a published opinion, *Bouchat v. Champion Products, Inc.*, 327 F. Supp. 2d 537 (D. Md. 2003). First, the court held that NFLP virtually represented the licensees in *Bouchat I*. The licensees were accordingly bound by the *Bouchat I* finding that their use of the Flying B infringed Bouchat's copyright, and the district court granted partial summary judgment in favor of Bouchat on the issue of liability. *Id.* at 544. Second, the district court held that Bouchat was precluded from relitigating the issue of whether any of the licensees' merchandising profits were attributable to the infringement of Bouchat's copyrighted work because the *Bouchat I* jury conclusively resolved that claim against him. *Id.* at 545-46. Third, the district court rejected Bouchat's argument that he is entitled to an award of statutory damages from each of the licensees who used the infringing Flying B. Specifically, the court ruled that the judgment in *Bouchat I* precluded Bouchat from obtaining any statutory damages in the later litigation. *Id.* at 549. The court reasoned in the alternative that even if judge-made preclusion doctrines did not prohibit statutory damages, Bouchat did not qualify for such damages because he did not register his copyright before the infringing conduct began. *Id.* at 552. Based on these determinations, the district court entered judgment in favor of Bouchat on liability, but denied him monetary recovery in each of the four related cases, *Bouchat II*, *III*, *IV*, and *V*. Bouchat now appeals the judgments insofar as they deny damages. We review

grants of summary judgment *de novo*. *Murrell v. Ocean Mecca Motel, Inc.*, 262 F.3d 253, 256 (4th Cir. 2001)[2]

II.

A copyright owner in a civil infringement action may elect one of two types of damages: (1) actual damages and "any additional profits of the infringer" or (2) statutory damages. 17 U.S.C. § 504(a). The election is made "at any time before final judgment is rendered." *Id.* § 504(c)(1). Bouchat concedes that the jury verdict in *Bouchat I*s damages phase precludes him from seeking infringement profits from the licensees in *Bouchat II*, *IV*, and *V*. His appeal therefore challenges the district court's determination that he is not entitled to either actual or statutory damages against the licensees.

A.

"The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer

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[2] The defendants in *Bouchat III* (Baltimore Ravens Limited Partnership, Baltimore Ravens Football Company, Inc., and Baltimore Stadium Company, LLC) are all closely affiliated with Baltimore Ravens, Inc., one of the defendants in *Bouchat I*. Indeed, before *Bouchat III* was filed, Baltimore Ravens, Inc. and the stadium company transferred all of their assets to the limited partnership in exchange for partnership shares; the football company was merged into Baltimore Ravens, Inc. and ceased to exist. Bouchat does not explain how the district court erred in determining that the claim against Baltimore Ravens, Inc. resolved in *Bouchat I* was indistinguishable from the claim against the *Bouchat III* defendants. Accordingly, we affirm the grant of summary judgment in favor of the *Bouchat III* defendants and eliminate that case from the remainder of our discussion.

that are attributable to the infringement and are not taken into account in computing the actual damages." 17 U.S.C. § 504(b). The district court, after concluding that Bouchat did not seek actual damages, granted the licensees summary judgment foreclosing this category of recovery in the cases before us today. *Champion Prods.*, 327 F. Supp. 2d at 545. The complaint in each case, however, includes a prayer for actual damages, and at oral argument on the summary judgment motion Bouchat contended that he is entitled to actual damages in the form of a reasonable royalty from each licensee. The district court therefore erred when it concluded that Bouchat had forfeited his claim for actual damages. As a result, we may determine whether the claim is viable. The licensees invoke the doctrine of claim preclusion, arguing that the *Bouchat I* judgment — a judgment that awarded no damages — blocks Bouchat from seeking actual damages in *Bouchat II*, *IV*, and *V*. We agree.

The related doctrines of claim preclusion and issue preclusion "relieve parties of the cost and vexation of multiple lawsuits, conserve judicial resources, and, by preventing inconsistent decisions, encourage reliance on adjudication." *Allen v. McCurry*, 449 U.S. 90, 94 (1980). A subsequent claim is precluded when (1) the judgment in the prior action was final and on the merits; (2) the parties in the two actions are identical or in privity; and (3) the claims in the two actions are identical. *Grausz v. Englander*, 321 F.3d 467, 472 (4th Cir. 2003).

The first element (a prior final judgment on the merits) is not disputed. The final judgment in *Bouchat I*, which we affirmed on appeal, was on the merits, and the district court was empowered to

render that judgment. The second element (identical parties or privies) is also not disputed. Bouchat does not appeal the district court's determination that the Ravens and NFLP virtually represented the licensees in *Bouchat I*. This determination is important to Bouchat because it prompted the district court's conclusion that the licensees were bound by *Bouchat I*s finding that the Ravens and NFLP infringed the copyright, which means that NFLP's licensees were also infringers. *Champion Prods.*, 327 F. Supp. 2d at 543-44. In embracing this much of the district court's decision, Bouchat effectively concedes that the licensees were in privity with the Ravens and NFLP for claim preclusion purposes, since virtual representation is a recognized category of privity. *See Martin v. Am. Bancorporation Ret. Plan*, 407 F.3d 643, 651 (4th Cir. 2005).

Evaluation of the third element (identical claims), which is contested, calls for more extended discussion. The requirement that the claims in the first and subsequent actions be identical is met if "the new claim arises out of the same transaction or series of transactions as the claim resolved by the prior judgment." *Meekins v. United Transp. Union*, 946 F.2d 1054, 1058 (4th Cir. 1991). We have recognized that the word "transaction"

> in the claim preclusion context connotes a natural grouping or common nucleus of operative facts. Among the factors to be considered in deciding whether the facts of the current and prior claims are so woven together that they constitute a single claim are their relatedness in time, space, origin, or motivation, and

> whether, taken together, they form a convenient unit for trial purposes.

Pittston Co. v. United States, 199 F.3d 694, 704 (4th Cir. 1999) (citations and punctuation omitted).

There are several actions here — *Bouchat I* on the one hand and *Bouchat II*, *IV*, and *V* on the other — but there is only a single nucleus of operative facts, satisfying the third element of claim preclusion. In the latter actions, *Bouchat II*, *IV*, and *V*, Bouchat asserts claims against the commercial users of the Ravens logo, whether they displayed the logo in broadcast coverage of Raven games, produced Ravens merchandise, or sold that merchandise to ordinary consumers. In *Bouchat I* Bouchat sought to hold NFLP and the Ravens accountable for these very same acts that infringed his copyright. The complaint in *Bouchat I* is clear on this point. It alleged that NFLP "licensed third parties to use the logos and trade/service marks of the Baltimore Ravens in connection with a variety of merchandise and promotional activities directly associated" with the Ravens. Complaint at 2-3, ¶ 4, *Bouchat I*, No. MJG-97-1470 (D. Md. filed May 1, 1997). The *Bouchat I* complaint further alleged:

> Since June 5, 1996, if not before, Defendants [the Ravens and NFLP] have been reproducing, distributing, promoting and offering for sale illegal and unauthorized copies of the subject works in the form of Baltimore Ravens' logos and/or trade/service marks to promote their business enterprises . . . . Defendants have licensed the use of the subject works . . . to third parties for

> the sale and merchandising of products and thereby have derived profits from the use of the subject works.

Id. at 7, ¶ 11. While *Bouchat I* focused on the licensor's conduct, and *Bouchat II*, *IV*, and *V* shift the focus to the licensees' conduct, the same violations of Bouchat's copyright are described throughout all of the complaints. Though the several cases before us today are sequels in which the licensees who had only a bit part in the first installment now take center stage, there is still only one interwoven story.

That Bouchat did not seek actual damages in *Bouchat I* but now seeks such damages from the licensees does not alter our conclusion that the claims in Bouchat's cases are identical. The relief Bouchat seeks for the licensees' commercial use of the infringing logo is "woven together," *Pittston*, 199 F.3d at 704, with the relief he sought against the *Bouchat I* defendants. While Bouchat's reasons for not presenting any evidence of actual damages and focusing on infringement profits in *Bouchat I* may have been perfectly sound, that is of no moment here. *Cf. Bouchat I*, 346 F.3d at 527 n.1 (Widener, J., dissenting) (explaining why "it is likely that Bouchat's actual damages, if any, were nominal."). In seeking infringement profits against the Ravens and NFLP, Bouchat asserted a right to recovery under § 504(a)(1), which makes the copyright infringer "liable for . . . the copyright owner's actual damages *and* any additional profits of the infringer." 17 U.S.C. § 504(a)(1) (emphasis added). Bouchat had his day in court on his § 504(a)(1) claim against the Ravens and NFLP in *Bouchat I*, so he could not seek actual damages against them in some later action. In

Bouchat II, IV, and *V* he chose a new road and elected actual damages against NFLP's licensees. But § 504(a)(1) links actual damages (which Bouchat never sought before) to infringement profits (which he did seek before). Section 504(b) further suggests that actual damages and infringer profits are related although distinct measures of recovery. By the statute's plain terms, recoverable infringement profits are "any profits of the infringer that are attributable to the infringement *and are not taken into account in computing the actual damages.*" *Id.* § 504(b) (emphasis added). In deciding what profits the infringer must disgorge, a court must exclude certain amounts calculated as actual damages to avoid double counting. *Robert R. Jones Assocs. v. Nino Homes*, 858 F.2d 274, 281 (6th Cir. 1988); 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 14.01[A] (1994). Thus, evaluation of infringement profits must take into account the nature of any actual damages. This link between the remedies Bouchat has sought reinforces our identification of a "common nucleus of operative facts" in these cases.

As we have explained, *Bouchat I* and *Bouchat II, IV,* and *V* all arise from a common series of transactions, so the claims are identical. The three requirements of claim preclusion are therefore satisfied. Accordingly, the district court correctly granted judgment in favor of the licensees because Bouchat is precluded from obtaining actual damages against them.

We do not suggest that Bouchat was legally obligated to join the licensees as defendants in the first action. In other words, we do not create a rule of mandatory joinder, for it remains settled that a

copyright holder may exercise discretion in suing as many co-infringers as he chooses. *Salton, Inc. v. Philips Domestic Appliances & Pers. Care, B.V.*, 391 F.3d 871, 877 (7th Cir. 2004); *Robbins Music Corp. v. Alamo Music, Inc.*, 119 F. Supp. 29, 31 (S.D.N.Y. 1954). It is equally well established, however, that when an injured person sues joint tortfeasors in successive actions, preclusion principles determine the effect of the first judgment on the later actions. Restatement (Second) of Torts § 884 (1979). This rule invites the application of conventional preclusion doctrines in *Bouchat II*, *IV*, and *V* because of the relationship between NFLP and the licensees, who used the logo with NFLP's authorization. Each time a licensee copied the Flying B, Bouchat's copyright was infringed, and two parties were responsible: the licensee who made the copy and NFLP who authorized the licensee to copy the logo. Because NFLP and the licensee were at fault together for the licensee's violation, they are liable jointly and severally for any damages the violation caused. *See Salton*, 391 F.3d at 877 ("[T]he principle of joint and several liability . . . governs . . . the federal statutory tort of copyright infringement") (citations omitted). Any plaintiff who sues joint tortfeasors separately bears the risk that an adverse determination in the first action will trigger preclusion doctrines in a later action. Bouchat bore this risk from the time he filed his first action, suing only the Ravens and NFLP. He made this choice, and we have no reason to insulate him from the unfavorable consequences.

B.

Bouchat argues in the alternative that the district court erred in holding that he is not entitled

to statutory damages. A copyright owner may be able to choose statutory damages instead of actual damages and infringement profits. When this option is available, the Copyright Act allows

> an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $750 or more than $30,000 as the court considers just.

17 U.S.C. § 504(c)(1). Not every copyright owner is eligible to seek statutory damages. The Act provides that "no award of statutory damages . . . as provided by section[ ] 504 . . . shall be made for (1) any infringement of copyright in an unpublished work commenced before the effective date of its registration." *Id.* § 412.

The registration requirement is important to the statutory scheme. A person registers by filing a form with the U.S. Copyright Office. Registration promotes orderly resolution of copyright disputes because it creates a permanent record of the protected work, putting the world on constructive notice of the copyright owner's claim. *Johnson v. Jones*, 149 F.3d 494, 505 (6th Cir. 1998). While the predecessor statute did not allow any relief for copyright violations that occurred before registration and publication, *id.*, the 1976 Act reversed that. Now

> a copyright owner whose work has been infringed before registration [is] entitled to the remedies ordinarily available in infringement cases: an

> injunction on terms the court considers fair, and his actual damages plus any applicable profits not used as a measure of damages. However, section 412 [denies] any award of the special or 'extraordinary' remed[y] of statutory damages . . . where infringement of copyright in an unpublished work began before registration.

H.R. Rep. No. 94-1476, at 158 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5774. By making registration a precondition for the "extraordinary remed[y]" of statutory damages, Congress sought to motivate speedy registration. *Johnson*, 149 F.3d at 505.

Bouchat registered his copyright on July 25, 1996. NFLP's infringement began the month before, in June 1996. Consequently, NFLP was not individually liable to Bouchat for statutory damages. We confirmed this when we affirmed the judgment in the second phase of *Bouchat I*, *see* 346 F.3d at 517 n.2, and the reasons were apparent from the record. For example, the *Bouchat I* complaint alleged that "[s]ince June 5, 1996, if not before, Defendants have been reproducing, distributing, promoting and offering for sale illegal and unauthorized copies of the subject works in the form of Baltimore Ravens' logos." Complaint at 7, ¶ 11, *Bouchat I*, No. MJG-97-1470 (D. Md. filed May 1, 1997). Bouchat's own expert witness, after reviewing NFLP's documents, concluded that NFLP's use of the logo generated over $2.6 million in gross revenue "from June 1996 through March 31, 1999." *Bouchat I*, 346 F.3d 514 (4th Cir. 2003) (No. 02-1999), Joint Appendix at 1260. Today Bouchat argues that the date of NFLP's

first infringement was never conclusively resolved in *Bouchat I*. He now contends that his copyright was first infringed when NFLP failed within a reasonable time to give him the autographed helmet and recognition he requested in exchange for use of his drawing. But there has never before been any disagreement about the fact that NFLP infringed in June 1996 when it and the Ravens first unveiled the Flying B, and it is too late now for Bouchat to raise the issue.

Although NFLP violated the copyright for the first time in June 1996 (when it first exhibited the Flying B to the public and authorized Ravens merchandise), NFLP may have continued to violate the copyright long after July 25, 1996, when Bouchat registered. The postregistration activities make no difference. In using the word "commenced," § 412(1) instructs us to trace NFLP's infringing conduct after registration back to NFLP's original infringement in June 1996. In other words, "infringement 'commences' for the purposes of § 412 when the first act in a series of acts constituting continuing infringement occurs." *Johnson*, 149 F.3d at 506. This interpretation makes sense "because 'it would be peculiar if not inaccurate to use the word "commenced" to describe a single act' rather than the first in a group of acts." *Id.* (quoting *Singh v. Famous Overseas, Inc.*, 680 F. Supp. 533, 535 (E.D.N.Y. 1988)); *accord Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 144 (5th Cir. 1992); *Johnson v. Univ. of Va.*, 606 F. Supp. 321, 325 (W.D. Va. 1985). Because NFLP's first infringement preceded Bouchat's registration, Bouchat could not pursue statutory damages against NFLP.

NFLP's battalion of licensees — not NFLP itself — are the defendants in the cases before us today. Nevertheless, the district court held that the date on which NFLP first infringed was the date on which the infringement by the licensees commenced because NFLP approved all of the licensees' infringing acts. *Champion Prods.*, 327 F. Supp. 2d at 551-52. Bouchat argues that the correct approach would have been to treat the date on which each individual licensee first violated Bouchat's copyright as the date that licensee's infringement commenced under § 412(1). We disagree.

Section 412 cannot be read in isolation. That section, which defines the registration prerequisite for statutory damages awards, must be read in harmony with § 504, which allows statutory damages "for all infringements involved in the action . . . for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally." 17 U.S.C. § 504(c)(1). An infringer is "[a]nyone who violates any of the exclusive rights of the copyright owner" granted by the Copyright Act. *Id.* § 501(a). When a licensee copied the Flying B onto Ravens merchandise, the licensee became an infringer. NFLP gave each licensee permission to copy, so NFLP was also responsible for the licensee's acts of copying, making NFLP jointly and severally liable for the infringing acts of each licensee.

Again, in an action against NFLP as "one infringer . . . liable individually," *id.* § 504(c)(1), we would trace post-registration infringing conduct back to pre-registration conduct in violation of the same copyright. When each licensee is paired with NFLP, the licensor-licensee pair constitutes "two . . .

infringers . . . liable jointly and severally." *Id.* Because the statute does not distinguish between "one infringer . . . liable individually" and "two or more infringers . . . liable jointly and severally," *id.*, we must treat these two categories of infringers identically when assessing their statutory damages liability. The statute thus subjects a licensor-licensee pair to the same tracing rule that would apply to either one as an individually liable infringer. Here, then, we must trace the licensee's post-registration infringing conduct back to NFLP's pre-registration conduct and thereby deny statutory damages to Bouchat.

Of course, NFLP is not a party in today's cases, and none of the licensees appear responsible for NFLP's initial act of infringement since none aided in designing the Flying B. But these factors do not change the analysis. Section 504(c)(1) speaks of "infringers," not parties. Because a statutory damages award covers "all infringements involved in the action . . . for which" infringers are liable, *id.* (emphasis added), it is appropriate to treat the earliest date of infringement by *any* participant in a line of related copyright violations as the date of commencement. Focusing on NFLP's conduct here is entirely logical. Once NFLP designed and licensed the Flying B logo that infringed Bouchat's copyright, the liability of all of NFLP's licensees became a foregone conclusion. Thus, we hold that a copyright owner may not obtain statutory damages from a licensee liable jointly and severally with a licensor when the licensor's first infringing act occurred before registration and was part of the same line of related infringements that included the licensee's offending act.

The following hypothetical illustrates our holding. Suppose that in January 1997, several months after Bouchat registered his copyright, a sweatshirt manufacturer, M Corp., printed a batch of Ravens sweatshirts bearing the Flying B pursuant to an NFLP license. Production of the sweatshirts violated Bouchat's exclusive right to "re-produce the copyrighted work in copies," 17 U.S.C. § 106(1), and was thus an infringement. NFLP's authorization of M Corp.'s use of the Ravens logo gave rise to M Corp.'s act, making NFLP and M Corp. jointly and severally liable for the infringement. But NFLP began public display and commercial distribution of the offending logo before Bouchat's registration. As a result, "the first act in a series of acts constituting continuing infringement," *Johnson*, 149 F.3d at 506, would be the first display and distribution by NFLP in June 1996, before Bouchat's registration. Bouchat would be entitled in this hypothetical to injunctive relief, actual damages, and infringement profits against M Corp. and NFLP. Statutory damages, however, would not be an option because the continuing infringement commenced before registration.

Our holding flows from the statute's plain language. Moreover, our holding has the added benefit of respecting Congress's purpose for enacting § 412, which is to encourage speedy registration. If we ignored this purpose and construed the Copyright Act to allow Bouchat to obtain the "extraordinary remed[y]" of statutory damages for acts that occurred long after he registered his copyright, we would discourage rather than promote swift registration of creative works. *See* H.R. Rep. No. 94-1476 at 158. In sum, we conclude that the district

court correctly awarded the licensees a summary judgment denying Bouchat's claim for statutory damages.

III.

For the foregoing reasons, we affirm the judgments in *Bouchat II, III, IV,* and *V* that deny Bouchat's requests under the Copyright Act for actual or statutory damages.

AFFIRMED

NIEMEYER, Circuit Judge, concurring:

I concur in the good opinion of my colleague writing for the court, recognizing that Bouchat, in seeking to avail himself of his victory in *Bouchat I,* has conceded that the downstream defendants he has named in the related cases before us are in privity with the defendants in *Bouchat I.* Therefore, the downstream defendants benefit from the preclusive effects of *Bouchat I* insofar as Bouchat has pursued the same claims against them as privies. And we now hold that he has, because the same transaction and occurrence underlies all Bouchat's lawsuits.

But absent Bouchat's concession, made for understandable strategic reasons, we would face almost irresolvable issues presented by this multi-party licensing infringement case. While the Copyright Act addresses adequately the single infringement of a work, it is not susceptible to a straightforward application when multiple infringements by multiple parties arise from a single work.

The Copyright Act strives to be complete and comprehensive by creating causes of action at the

subatomic level. Yet in doing so, the Act loses focus on the bigger picture. In granting an author a separate "exclusive right" in every reproduction, derivative preparation, distribution, performance, display, and digital audio transmission of his work, *see* 17 U.S.C. § 106, the Act gives the author a right to institute an action for each infringement of each exclusive right, *see id.* § 501. The enforcement rights are further sub-atomized by the Act's definition of distribution as any sale or other transfer of ownership, rental, lease, or lending. *See id.* § 106(3). And with respect to each infringement, the owner may receive actual damages or disgorgement of profits or, by election made "any time before judgment, statutory damages of not less than $750 or more than $30,000 as the court considers just." *Id.* § 504. The Act provides for a separate statutory damage award "for all infringements involved in the action, with respect to any one work." *Id.* § 504(c).

Thus, when the "Village Book Store" sells a copy of a book containing a photograph that infringes on a photographer's work, the photographer has a cause of action against the book store. And if the photographer so elects, he may claim, in lieu of actual damages, statutory damages of "not less than $750 or more than $30,000 as the court considers just." *Id.* § 504(c)(1). When one million copies of the book are sold, it appears that the photographer may elect to file separate action after separate action against every book store every time the store violates one of the photographer's § 106 rights. I question whether Congress intended conceptually to provide for an award to the photographer of at least $750,000,000, that is, $750 for each of the million copies sold. Regardless of the answer to that

question, the Act undoubtedly encourages multiple, separate infringement actions because a statutory damage award is available *in each action* for "all infringements involved *in the action*" with respect to any one work. *Id.* (emphasis added); *see also* 4 *Nimmer on Copyright* § 14.04[E][2].

Relying on § 501(b) of the Act, the first book store might be able to join the infringing book's author, publisher, and distributor — which certainly would include any licensees, *see* 17 U.S.C. § 101 — arguing that it was bringing into "one action" "any person hav[ing] or claim[ing] an interest in the copyright." *Id.* § 501(b). Opposing such joinder, because it would potentially frustrate his effort to receive multiple statutory awards, the photographer would assert that all of the sellers are not "jointly and severally" liable for each other's infringing sales for purposes of determining statutory damages. *See id.* § 504(c) (authorizing a statutory award "for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable *jointly and severally*").

A crowning layer of complexity is added if the photographer files first against the publisher and elects to seek actual damages and thereafter sues the book stores, seeking statutory damages. The Act would seem to limit the photographer only by requiring that he make his election of remedies in the specific action "at any time before final judgment is rendered." *See id.* § 504(c). A question of claim preclusion might be raised, but its application would depend on whether there was privity among the parties. Moreover, if the book stores were thought to be in privity with the publisher, the photographer

could simply sue each of the book stores for statutory damages *before* suing the publisher for actual damages or disgorgement of profits.

Even as the Copyright Act seems to encourage claim splitting and manipulation of the litigation process, federal judicial policy encourages resolving in one action all claims arising out of a transaction or occurrence. *See, e.g.*, Fed. R. Civ. P. 13, 14, 18, 19, & 20.

These questions, I believe, demonstrate that the Copyright Act pulls in tension from traditional joinder and claim preclusion policies and tends to undermine good judicial administration aimed at efficiency and justice. As a consequence, this case easily could have presented the fundamental but difficult issue whether a copyright owner *must* join all related infringers — from the original copier to the downstream licensees — in a single infringement action, or whether he has the prerogative to proceed piecemeal against the gamut of infringers. Today, however, we do not resolve these nettlesome issues because of the peculiar circumstances created by Bouchat's desire to leverage his win in *Bouchat I* into a claim for statutory damages in the cases before us now. Yet these issues will arise with increasing frequency — especially in view of advanced technology for copying and transmitting data, which facilitates massive infringements — and therefore Congress should reconsider them soon to define a more workable balance.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-03-2229

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

7-ELEVEN, INC. *

Defendant *

* * * * * * * *

[Entered December 10, 2003]

ORDER

For the reasons stated on the record of proceedings held in Bouchat v. Baltimore Ravens Limited Partnership ("Bouchat III"), MJG-01-647 and related cases on October 29, 2003:

1. All papers filed in Bouchat v. Baltimore Ravens, Inc., et al., MJG-97-1470 ("Bouchat I"); Bouchat v. Champion Products, Inc., et al., (MJG-99-1576 ("Bouchat II"), Bouchat v. Baltimore Ravens Limited Partnership, MJG-01-647 ("Bouchat III"), and Bouchat v. K-Mart Corporation, et al. MJG-01-1996 ("Bouchat IV") are deemed to be part of the record of the instant case.

2. Plaintiff is entitled to summary judgment with regard to liability.

3. Defendant is entitled to summary judgment with regard to damages.

4. The Clerk shall CLOSE ALL MOTIONS herein.

5. Judgment shall be entered by separate Order.

SO ORDERED, on Wednesday, 10 December, 2003.

/s/
Marvin J. Garbis
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-03-2229

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

7-ELEVEN, INC. *

Defendant *

* * * * * * * * *

[Entered December 10, 2003]

JUDGMENT ORDER

By separate Order issued this date, the Court has granted summary judgment to Plaintiff on liability issues and to Defendant on damages issues.

Accordingly:

1. Judgment shall be, and hereby is, entered in favor of Plaintiff Frederick E. Bouchat and against Defendant:

   a. Determining that the Baltimore Ravens "Flying B Logo" used by Defendant infringed Plaintiff's copyright rights in a drawing created on or about December 5, 1995.

b. Awarding Plaintiff no monetary recovery from Defendant.

2. The parties shall bear their own respective costs.

3. Any and all prior rulings disposing of any claims against any parties are incorporated by reference herein.

SO ORDERED, on Wednesday, 10 December, 2003.

/s/
Marvin J. Garbis
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-01-647

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

BALTIMORE RAVENS LIMITED PARTNERSHIP, et al. *

*

Defendants

* * * * * * * * *

[Entered October 29, 2003]

ORDER

For the reasons stated on the record of proceedings held in this matter on this date:

1. All papers filed in Bouchat v. Baltimore Ravens, Inc. et al, MJG-97-1470 ("Bouchat I"); Bouchat v. Champion Products, Inc., et al, MJG-99-1576 ("Bouchat II") and Bouchat v. K-Mart Corporation, et al, MJG-01-1996 ("Bouchat IV") are deemed to be part of the record of the instant case.
2. Plaintiff is entitled to summary judgment with regard to liability.
3. Defendants are entitled to summary judgment with regard to damages.

4. The Clerk shall CLOSE ALL MOTIONS herein.

5. Judgment shall be entered by separate Order.

SO ORDERED, on Wednesday, 29 October, 2003.

/ s /

Marvin J. Garbis

United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-01-647

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

BALTIMORE RAVENS LIMITED PARTNERSHIP, et al. *

*

Defendants

* * * * * * * * *

[Entered October 29, 2003]

JUDGMENT ORDER

By separate Order issued this date, the Court has granted summary judgment to Plaintiff on liability issues and to Defendants on damages issues.

Accordingly:

1. Judgment shall be, and hereby is, entered in favor of Plaintiff Frederick E. Bouchat and against Defendants:

   a. Determining that the Baltimore Ravens "Flying B Logo" used by Defendants infringed Plaintiff's copyright rights in a drawing created on or about December 5, 1995.

b. Awarding Plaintiff no monetary recovery from Defendants.

2. The parties shall bear their own respective costs.

3. Any and all prior rulings disposing of any claims against any parties are incorporated by reference herein.

4. This Order shall be deemed to be a final judgment within the meaning of Rule 58 of the Federal Rules of Civil Procedure.

SO ORDERED, on Wednesday, October 29, 2003.

/ s /
Marvin J. Garbis
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-99-1576
CIVIL ACTION NO. MJG-01-1996

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

CHAMPION PRODUCTS, INC., et al. *

Defendants *

* * * * * * * * *

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

K-MART CORP., et al. *

Defendants *

* * * * * * * * *

[Entered August 22, 2003]

MEMORANDUM AND ORDER

The Court has before it Plaintiff's Motion for Partial Summary Judgment, Defendants' Motion for Summary Judgment to Preclude Plaintiff from Recovering Profits and Actual Damages, Defendants' Motion for Summary Judgment to Preclude Plaintiff from Recovering Statutory Damages, and the materials submitted by the parties in relation thereto. The Court has held a hearing and has had the benefit of the arguments of counsel.

I. BACKGROUND[1]

In 1995, Plaintiff Frederick E. Bouchat ("Bouchat") was employed as a security guard at a State Office building. He enjoyed drawing pictures inspired by comic book characters, in particular Batman. On November 6, 1995, there was a public announcement that the National Football League ("NFL") Cleveland Browns would be moving to Baltimore within a short time, generating substantial local (Baltimore) interest in a new name for the team. Bouchat became interested in the new football team and began drawing designs using various possible team names, including "Ravens."

On or about December 5, 1995, Bouchat drew what shall be referred to herein as the "Shield Drawing."

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[1] For a more complete discussion of the underlying facts, see the decision on interlocutory appeal in Bouchat v. Baltimore Ravens, Inc., 241 F.3d 350 (4th Cir. 2001).

In March of 1996, the Baltimore team adopted the name "Ravens." National Football League Properties ("NFLP"), the marketing arm of the National Football League, engaged artists to develop Ravens team logos.

On April 1st or 2nd of 1996, Bouchat sent to the Maryland Stadium Authority a fax of the Shield Drawing[2] with a note written thereon asking the Chairman of the Authority to send the sketch to Mr. Modell, President of the Ravens. Bouchat further wrote on the note: "If he would like this design if he does use it I would like a letter of recognition and if the team wants to I would like a adiograph (*sic*) helmet." There is no evidence that the Ravens or NFLP intentionally caused the Shield Drawing to be provided to the artists creating Ravens' team logo. Nevertheless, the Shield Drawing was seen by the

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[2] Bouchat claims to have sent other drawings along with the Shield Drawing. However, Bouchat failed to establish his infringement claims with respect to the other drawings.

artists who created what is referred to herein as the "Flying B Logo."

NFLP and the Ravens, believing that the NFLP artistic team had developed team logos completely independently, proceeded to use the Flying B Logo as the primary symbol for Ravens team identification. The first public use of the Flying B Logo occurred in June of 1996 when the Ravens team uniforms were displayed in Baltimore. The Flying B Logo was, thereafter, used extensively as a team trademark until the end of the 1998 season. Moreover, pursuant to licenses and other forms of permission granted by NFLP, the Flying B Logo was used by hundreds of manufacturers, distributors, sponsors, etc. in connection with their respective business operations.

In July of 1996, Bouchat registered the Shield Drawing with the United States Trademark and Patent Office. The Ravens, NFLP and hundreds of entities with NFLP permission continued to utilize the Flying B Logo[3] as a symbol of the Ravens football team.

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[3] And other logos.

Bouchat, by counsel, contacted the Ravens and NFLP and claimed that the Flying B Logo and certain other logos infringed copyright interests Bouchat had in the Shield Drawing and certain other drawings. The Ravens and NFLP did not agree with Bouchat's claims and continued to use the logos in question.

In May of 1997, Bouchat filed Bouchat v. Baltimore Ravens, Inc., MJG-97-1470 ("Bouchat I") against the Ravens and NFLP asserting infringement of copyright interests in the Flying B Logo and certain other Ravens team logos. Thereafter, Bouchat has filed four (so far) additional cases based upon use of the Flying B Logo. Bouchat v. Champion Products, Inc., et al., MJG-99-1576 ("Bouchat II"); Bouchat v. Baltimore Ravens Limited Partnership, et al., MJG-01-647 ("Bouchat III"); Bouchat v. K-Mart Corporation, et al., MJG-01-1996 ("Bouchat IV") and Bouchat v. Seven-Eleven, Inc., MJG-03-2229 ("Bouchat V"). Bouchat II, III, and IV were filed while Bouchat I was pending.

The Court bifurcated Bouchat I with a first phase trial on liability issues to be followed by a second phase trial, if necessary, on damages issues. In the Bouchat I first phase (liability) trial, the jury found, on November 3, 1998, that Plaintiff had proven infringement of the Shield Drawing, but not the other drawings at issue. After the resolution of post-trial motions, the Court certified certain questions for interlocutory appeal pursuant to 28 U.S.C. § 1292(b). On October 3, 2000, the Fourth Circuit affirmed the finding of liability in Bouchat I. See Bouchat v. Baltimore Ravens, Inc., 241 F.3d 350 (4th Cir. 2001). Thereafter, Bouchat I proceeded to the second (damages) phase.

In the second (damages) phase trial of Bouchat I, Bouchat sought damages pursuant to 17 U.S.C. § 504(a)(1) which permits recovery for:

> The copyright owner's actual damages and any additional profits of the infringer, as provided by [17 U.S.C. § 504(b).]

In Bouchat I, Bouchat made no claim for his actual damages, did not seek to recover statutory damages, but sought only a disgorgement of profits pursuant to § 504(b) of the Copyright Act. Accordingly, the only issue presented for resolution at the damages phase trial of Bouchat I was the amount, if any, of profits of the Defendants that were attributable to the infringement.

The Court decided, in the summary judgment phase of Bouchat I, that the only receipts which possibly could include any portion attributable to the infringement were those revenues derived from the licensing of merchandise bearing the Flying B Logo and sales of soft drinks in souvenir cups bearing the Flying B Logo.[4] The Court held that there was no issue of fact between the parties as to the amount of these receipts or as to the expenses to deduct to compute the total profits derived from such sales.

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[4] The Court granted summary judgment to Defendants as to Bouchat's claim that a portion of essentially all revenues, *i.e.*, ticket sales, stadium parking, radio and television broadcast rights, etc. was attributable to the use of his artwork. The appeal of Bouchat I is pending.

Accordingly, the fact finder[5] was presented with the following questions:

> 1. Have Defendants proven by a preponderance of the evidence that income derived by Defendants from the sale of products bearing the Flying B Logo was attributable completely to factors other than the artwork of the Flying B Logo?
>
> [If not]
>
> 2. What percentage of the income derived by Defendants from the sale of merchandise bearing the Flying B Logo have Defendants proven, by a preponderance of the evidence, was attributable to factors other than the artwork of the Flying B Logo?
>
> 3. What percentage of the income derived by Defendants from the sale of soft drinks in souvenir cups at Baltimore Ravens home football games have Defendants proven, by a preponderance of the evidence, was

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[5] In Bouchat I there was an issue as to whether the judge (as Defendants contended) or jury (as Plaintiff contended) was to decide these issues. The Court tried the profits issue simultaneously as a bench and jury trial, rendering a bench decision as well as receiving a jury verdict. Judgment was entered based on the jury verdict but the bench decision is available should an appellate court direct the entry of judgment based upon the court's factual findings. The question of whether there is a right to jury trial on the profits attribution question is presented in Bouchat II and IV but is moot by virtue of the instant grant of summary judgment.

attributable to factors other than the artwork of the Flying B Logo?

The jury answered the first question in the affirmative.[6] Hence the jury found that Defendants had proven by a preponderance of the evidence that 100% of the income derived by Defendants from the licensing for sale of products bearing the Flying B Logo was attributable to factors other than the use of Bouchat's artwork. Based on the jury verdict, Plaintiff was not entitled to any monetary recovery from the Ravens and NFLP for profits attributable to the use of the Flying B Logo on licensed merchandise. The Court entered judgment in Bouchat I consistent with the jury's verdict [7]on July 26, 2002.

The instant motions are pending in Bouchat II and Bouchat IV[8] in which Plaintiff has sued hundreds of manufacturers, distributors, retailers and other entities that used the Flying B Logo in the course of their respective business operations. All of the Bouchat II and IV Defendants used the Flying B Logo pursuant to the permission (through licenses and/or other agreements) of NFLP for the use of all NFL team logos. Accordingly, it is appropriate to refer to the Bouchat II and Bouchat IV Defendants as "Downstream Defendants."

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[6] This Court as fact finder answered the question "no," but held that Bouchat was entitled to less than $25,000 in damages. Thus, ironically, the bench decision was more favorable to Plaintiff than the jury verdict.

[7] The parties agreed that, since Plaintiff sought a jury verdict, Judgment should be entered upon the verdict.

[8] Bouchat III, in which the Defendants are entities related to Baltimore Ravens, Inc., a Bouchat I Defendant remains pending.

By their instant Motions, both sides seek partial summary judgment. Plaintiff seeks summary judgment on the issue of infringement, claiming that, by virtue of collateral estoppel, the Bouchat II and IV Defendants are bound by the Bouchat I liability phase jury verdict. Defendants seek summary judgment on Bouchat's damage claims.

II. LEGAL STANDARD

In deciding a summary judgment motion, the Court must look beyond the pleadings and determine whether there is a genuine need for trial. See Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986). The Court must determine whether the evidence presents a sufficient disagreement to require submission to a jury or whether the evidence is so one-sided that one party must prevail as a matter of law. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 251-53 (1986). If the defendant carries its burden by showing an absence of evidence to support a claim, the plaintiff must demonstrate that there is a genuine issue of material fact for trial. See Calottes Corp. v. Catrett, 477 U.S. 317, 324-25 (1986). The Court must look at the evidence presented in regard to the motion for summary judgment through the non-movant's rose-colored glasses but must view it realistically. Nevertheless, the non-movant is entitled to have all reasonable inferences drawn in his favor. Advices v. S.H. Kress & Co., 398 U.S. 144, 158-59 (1970).

An issue of fact must be both genuine and material in order to forestall summary judgment. An issue of fact is genuine if the evidence is such that a reasonable jury could return a verdict in favor of the plaintiff. See Anderson, 477 U.S. at 248. An issue of

fact is material only if the establishment of that fact might affect the outcome of the lawsuit under governing substantive law. See id. "If the evidence is merely colorable, or is not significantly probative, summary judgment may be granted." Id. at 249-50 (internal citations omitted).

III. DISCUSSION

A. Infringement

Plaintiff seeks to bind the Downstream Defendants by the Bouchat I jury's verdict that the use of the Flying B Logo infringed Plaintiff's copyright in the Shield Drawing. Plaintiff thus seeks to assert estoppel based on the outcome in Bouchat I against non-parties to the original action.

Estoppel generally is asserted against a party (plaintiff or defendant) who has litigated and lost an issue in a prior action. In Parklane Hosiery v. Shore, 439 U.S. 322, 330 (1979), the United States Supreme Court stated that in certain circumstances it is possible for a plaintiff to assert estoppel "offensively" against a defendant who has previously litigated and lost an issue. In Parklane, there was a new plaintiff, who could not have easily intervened in the prior action, seeking to assert estoppel against a defendant who had lost on a dispositive issue in a prior action. The instant case presents a different situation from that presented in Parklane. Here, Plaintiff seeks to bind Defendants, who were not parties in the original case, based on their relationship to NFLP, one of the original defendants.

In general, a litigant cannot be bound by the result of a prior litigation in which the litigant had not been a party. However, in certain circumstances

a party in a current case who is in privity to a party in a prior case may be so bound. See Sullivan v. Easco Corp., 662 F. Supp. 1396, 1407 (D. Md. 1987). "Because preclusion based on privity is an exception to the deep rooted historic tradition that everyone should have his own day in court ... courts must ensure that the relationship between the party to the original suit and the party sought to be precluded in the later suit is sufficiently close to justify preclusion." Tyus v. Schoemehl, 93 F.3d 449, 455 (8th Cir. 1996) (internal citation omitted).

In the instant litigation, both sides take essentially inconsistent positions. In Bouchat I, Bouchat prevailed on liability issues, but lost on damages issues and received nothing. Hence, Bouchat wishes to bind the Downstream Defendants by the liability verdict while avoiding any binding effect of the damages verdict. Defendants take the opposite stance. The Court concludes that neither side is entitled to any inconsistency. The issue resolution in Bouchat I is binding on all of the Bouchat II and IV parties.

The doctrine of "virtual representation" permits a non-party to a prior lawsuit to be bound by the result thereof if one of the parties to the prior suit "is so closely aligned with his interests as to be his virtual representative." Ties, 93 F.3d at 454. The Downstream Defendants used the Flying B Logo by virtue of a contractual right granted by NFLP. They did so based upon NFLP's guarantee that all of the NFL team logos (including the Flying B Logo) could legally be used by them. The Downstream Defendants used the Flying B Logo with indemnification by NFLP against any claim or liability for such use. Indeed, NFLP is providing the

Downstream Defendants with the very same counsel who represented NFLP in Bouchat I. Furthermore, there is no material difference, if there is any difference at all, between the liability issues presented in Bouchat I and those presented in Bouchat II and IV.

The Fourth Circuit has stated that "a party acting as a virtual representative for another must do so with at least the tacit approval of the court." Klugh v. United States, 818 F.2d 294, 300 (4th Cir. 1987) (rejecting an argument that alignment of interests was sufficient to justify applying res judicata effect on the basis of the virtual representation doctrine), see also Wise v. City of Norfolk, 215 F.3d 1324 (4th Cir. 2000) (unpublished disposition) (restating rule that a court must at least be on notice that the party is virtually representing the interests of the non-party).

In the instant case, the Court did not give explicit approval to NFLP to virtually represent the interests of the Downstream Defendants because the matter was not presented to the Court. However, it is beyond doubt that had the matter been presented, this Court would have approved NFLP's representation of its licensees and others using the logos at issue by virtue of NFLP permission. Moreover, Bouchat I involved the very same sales of Flying B Logo-bearing merchandise that are at issue in Bouchat II and IV. Thus, the Bouchat II and IV Defendants' reliance upon NFLP to litigate the issues in Bouchat I was perfectly obvious. Indeed, all (or at least virtually all) of the Bouchat II and IV Defendants were represented by the same counsel as NFLP during the joint pendency of Bouchat I, II and III. Of course, no Downstream Defendant expressed

any interest in joining Bouchat I or expressed any concern with having NFLP present the defense position in Bouchat I on issues that were common to Bouchat II and IV.

Furthermore, the Court notes that the application of offensive collateral estoppel is subject to equitable considerations and the "broad discretion" of the Court. Parklane Hosiery, 439 U.S. at 331. The determination of privity is an equitable consideration that is not amenable to rigid construction. See, e.g. U.S. v. Manning Coal Corp., 977 F.2d 117, 121 (4th Cir. 1992)("privity is no talismanic concept... [i]t is merely a word used to say that the relationship between the one who is a party on the record and another is close enough to include that other within the res judicata") (internal citations omitted). "'Privity,' as used in the context of res judicata and collateral estoppel, does not embrace relationships between persons or entities, but rather it deals with a person's relationship to the subject matter of the litigation." Manning v. South Carolina Department of Highway and Public Transp., 914 F.2d 44, 48 (4th Cir. 1990).

Moreover, as noted above, the Downstream Defendants seek to bind Plaintiff to the prior determination with regard to damages, on the basis that they are "privities" of the Bouchat I Defendants and thus may prevent relitigation of issues that were determined vis a vis NFLP. The Downstream Defendants present no persuasive argument for the proposition that they are in privity for damages issues, but not liability issues.

In sum, the Court holds that the Downstream Defendants were virtually represented by NFLP in

Bouchat. They are, therefore, bound by the findings in that case. Accordingly, it is established in Bouchat II and IV that the use of the Flying B Logo by the Downstream Defendants infringed Bouchat's copyright in the Shield Drawing.

B. Damages

The federal copyright statute provides that an infringer is liable for the greater of

> (1) the copyright owner's actual damages [plus] any additional profits of the infringer, as provided in subsection (b); or
>
> (2) statutory damages, as provided by subsection (c).

17 U.S.C. § 504(a).

Accordingly, it is necessary to consider Bouchat's ability to recover the following categories of damages for the Downstream Defendants' infringing use of the Flying B Logo:

- Bouchat's actual damages,
- The profits of the Downstream Defendants "that are attributable to the infringement." [17 U.S.C. § 504(b).
- Statutory damages under 17 U.S.C. § 504(c).

The Downstream Defendants seek summary judgment as to all of Bouchat's claims for damages. As discussed herein, the Court concludes that the Downstream Defendants' position is correct and that judgment should be entered in Bouchat II and IV, as

it was in Bouchat I, determining that Plaintiff is entitled to recover no damages.

1. Actual Damages

As in Bouchat I, Bouchat declines to seek a recovery of actual damages in Bouchat II and IV. Presumably, Bouchat has again made a tactical decision in view of the rather minor amount of actual damages that he sustained. In any event, inasmuch as Bouchat seeks no actual damage award, the Downstream Defendants are entitled to summary judgment on the matter.

2. Profits Attributable to Infringement

In the instant cases, Bouchat seeks-as he did in Bouchat I-to recover the profits of the infringers attributable to the infringement. The instant cases present the same legal issues as were presented in regard to the recovery of infringer profits in Bouchat I. The parties have not shown the Court a valid reason to change its rulings made on summary judgment in Bouchat I. Accordingly, for reasons stated in Bouchat I, the Court holds the following:

- The only category of profits that could conceivably be attributable to the infringement are those profits derived from the sale of merchandise bearing the Flying B Logo.[9]

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[9] See the Corrected Memorandum and Order issued January 31, 2002 and the Supplemental Memorandum and Order issued January 31, 2002 in Bouchat I.

- The fact finder for a trial of Bouchat's claim for profits of the infringers would be the judge and not a jury.[10]

Accordingly, to the extent that Bouchat is making any claim regarding the Downstream Defendants' profits from sources other than the sale of merchandise bearing the Flying B Logo, summary judgment shall be granted to the defense. Therefore, the only potentially viable profits claim in Bouchat II and IV is based upon the sale of merchandise bearing the Flying B Logo. Accordingly, it is necessary to consider whether, by virtue of the doctrine of estoppel, the Downstream Defendants are entitled to summary judgment as to profits derived from the sale of merchandise bearing the infringing Flying B Logo.

In Bouchat I, the factual issue resolved by the jury was whether any portion of the profits derived from the sale of merchandise bearing the Flying B Logo was attributable to the infringing use of Bouchat's artwork. That is, the Bouchat I jury decided whether any part of the merchandise sales of NFLP licensees could be considered attributable to Bouchat's artwork.[11]

The jury determined that no part at all of NFLP's profits, that is, no part of the royalties generated by

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[10] See the Memorandum and Order of February 1, 2002 in Bouchat I. Note that Bouchat I was tried simultaneously to the court and a jury in view of the uncertainty as to Bouchat's jury right. The jury verdict for Defendants in Bouchat I mooted the jury right issue.

[11] The profits at issue in Bouchat I were those earned from the sales of Flying B Logo-bearing merchandise sold by NFLP's licensees.

the Downstream Defendants' sales of Flying B Logo bearing merchandise was attributable to the infringement. Accordingly, in Bouchat I, the jury found that 100% of the proceeds from sales of that merchandise was attributable to factors other than the use of the infringing Flying B Logo. Bouchat cannot now relitigate the matter in Bouchat II and IV. It is, therefore, definitively established that no profits derived from the sale of Flying B Logo bearing merchandise by the Bouchat II and IV Defendants is attributable to the infringement.

Plaintiff argues that he cannot be bound to the determination of profits in the prior litigation on the basis that the claim is not the same because "different facts would be involved in establishing the infringers' profits in this case from those in the prior case." Pl's Opp. at 6. Plaintiff points out that with regard to damages, multiple infringers are severally (but not jointly) liable for awards of profits, thus each infringer is liable for its own illegally-gained profits, and not for the profits of other defendants. Frank Music Corporation v. Metro-Goldwyn-Mayer, Inc., 772 F.2d 505, 519 (9th Cir. 1985). This may be true, but where, as here, there are no profits attributable to the infringement, there is nothing for which the Downstream Defendants would be jointly or severally liable. In whatever fashion one might establish the amount of each Bouchat II and IV Defendants' profits, and however large that amount may be, Bouchat's share would remain zero percent.

Even assuming that Plaintiff's claim for profits against the Downstream Defendants would not satisfy the identity of claims prong of the test for

claim preclusion[12], Plaintiff would nevertheless be precluded from re-litigating the issue of what percentage of the revenue from sales of licensed merchandise was attributable to the use of the infringing Flying B Logo. Issue preclusion, or collateral estoppel, "precludes relitigation of issues of fact or law which have been actually determined and necessarily decided in prior litigation in which a party against whom collateral estoppel is asserted had a full and fair opportunity to litigate." Virginia Hosp. Ass'n v. Baliles, 830 F.2d 1308, 1311 (4th Cir. 1987). The claim presented need not be the same for collateral estoppel to preclude relitigation of an issue. See Parklane Hosiery, 439 U.S. at 327 n. 5.

What Plaintiff is barred from relitigating here is the issue of what percentage of profits necessarily dependent upon the amount of sales from the sale of licensed merchandise bearing the infringing logo was attributable to the use of Plaintiff's copyrighted artwork. Plaintiff had a full opportunity to litigate that issue in Bouchat I, fully litigated it, and received the verdict of the jury. Plaintiff is thus precluded from relitigating it.

In Bouchat II and IV, as in Bouchat I, the percentage of profits derived from the sale of Flying B Logo bearing merchandise attributable to the infringement is zero. Accordingly, Bouchat can recover no damages from the Downstream

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[12] For res judicata to apply to bar a claim, there must be 1) a final judgment on the merits of the prior suit, 2) identity between the causes of action in the instant and prior suits, and 3) identity or privity of parties in the two suits. See Nash County Bd. of Educ. v. Baltimore County [sic], 640 F.2d 484, 486 (4th Cir. 1981).

Defendants for their profits attributable to the infringement.

3. Statutory Damages

In federal copyright law,

> a copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $750 or more than $30,000 as the court [i.e. a jury] considers just.

17 U.S.C. § 504(b).

Therefore, in Bouchat I, Bouchat had the option to seek statutory damages from NFLP.[13] Had he chosen to do so, the Bouchat I jury would have made a discretionary decision to award anywhere between $750 and $30,000 of statutory damages against NFLP for infringements including the very infringements that are at issue in Bouchat II and IV. In Bouchat I, Bouchat could have elected to take the greater of the statutory damages award or the sum of his actual damages plus profits of the infringer.

In Bouchat II and IV, Bouchat seeks to recover statutory damages awards from the Downstream

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[13] Had Bouchat sought statutory damages from both of the Bouchat I Defendants, it would have been necessary to decide in that action whether he was entitled to one or two statutory damage awards.

Defendants, all of whose infringements were at issue in Bouchat I. Moreover, Bouchat presents the proposition that he is entitled to a separate statutory damages award with respect to each Downstream Defendant. Hence, according to Bouchat's counsel, because he decided to file separate lawsuits, thereby splitting his claim against NFLP, he can multiply the amount of the statutory damages award. Instead of a discretionary jury statutory damages award from between $750 and $30,000 from NFLP, Bouchat would be entitled to at least 350[14] of such awards so that, in Bouchat II and IV,[15] the jury would have discretion to give him anywhere from $262,500 to $10,500,000 in statutory damages. Thus, Bouchat, whose actual damages are no more than $10,000[16] and whose work has been found to have contributed nothing to the infringers' profits, can ask a jury to exercise its discretion to make him a multi-millionaire. As discussed herein, the Court concludes that Bouchat is not entitled to the windfall that he seeks.

a. Res Judicata

Res judicata can apply to bar a claim, if there has been 1) a final judgment on the merits of a prior suit, 2) identity between the causes of action in the instant and prior suits, and 3) identity or privity of parties in the two suits. See Nash County Bd. of Educ. v. Biltmore Co., 640 F.2d 484, 486 (4th Cir. 1981).

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[14] The approximate number of Defendants in Bouchat II and IV.

[15] Which would be tried together.

[16] The amount that NFLP would have paid a professional commercial artist to create a team logo.

The purpose of preclusion doctrines is to promote judicial economy and prevent claim-splitting. "Defensive use of collateral estoppel precludes a plaintiff from relitigating identical issues by merely 'switching adversaries' ... [thus giving] a plaintiff a strong incentive to join all potential defendants in the same action if possible." Parklane, 439 U.S. at 329-330,,see also Commissioner of Internal Revenue v. Sunnen, 333 U.S. 591, 597 (1948) (purpose of res judicata is the same).

(1) Privity

As discussed above, " 'privity,' as used in the context of res judicata and collateral estoppel, does not embrace relationships between persons or entities, but rather it deals with a person's relationship to the subject matter of the litigation." Manning, 914 F.2d at 48. Thus, it is not the licensee/licensor relationship that places the Downstream Defendants in privity with the Bouchat I Defendants, but the Downstream Defendants' relationship with the Bouchat I litigation. Defendants, as licensees who produced the infringing products pursuant to agreements with the Bouchat I Defendants, are each joint infringers with the Bouchat I Defendants.

Multiple parties will be jointly and severally liable for infringement of a copyright when they "participate in, exercise control over, or benefit from an infringement." Sygma Photo News, Inc. v. High Society Magazine, Inc., 778 F.2d 89, 92 (2d Cir. 1985). In the instant case, the Downstream Defendants were manufacturing and selling goods carrying the Flying B Logo under express licensing agreements with NFLP to the financial benefit of

both. Thus, all of the Downstream Defendants were "participating" in the infringement initiated by NFLP when they used the Flying B Logo to represent the Ravens football team. See, e.g. U.S. Media Corp. v. Edde Entertainment Corp. 1998 WL 401532 *20 (S.D.N.Y. 1998) (finding that a supplier, distributor, and retailers would be jointly and severally liable for the infringement of a copyrighted film that they copied, distributed, and sold).

As discussed above in the context of Bouchat's contention that the Downstream Defendants are bound by the Bouchat I liability verdict, the Bouchat II and IV Defendants are in privity with NFLP, a Bouchat I Defendant.

(2) Identity of Claims

Identity of a cause of action has been defined as "whether the same primary right is asserted," or, alternatively, whether the suit is based on the same facts and evidence. Nash County, 640 F.2d at 487. Courts have stated that when the operative facts underlying the litigation are the same, res judicata may apply even when a different theory of recovery is asserted in the later suit. See, e.g., Williamson v. Columbia Gas & Elec. Corp., 186 F.2d 464, 469-70 (3d Cir. 1950).

In Bouchat I, Plaintiff litigated the issue of damages for the infringement of his copyright in the Shield Drawing by its licensing by the Ravens and the NFLP for use on merchandise bearing the Flying B Logo. Plaintiff sought damages pursuant to 17 U.S.C. § 504(a)(1) which permits recovery for:

> The copyright owner's actual damages and any additional profits of the infringer, as provided by [17 U.S.C. § 504(b).]

Plaintiff made no claim for his actual damages or for statutory damages. Instead, Plaintiff sought only the "profits of the infringer that are attributable to the infringement." 17 U.S.C. § 504(b).

In Bouchat I, the jury found that one-hundred percent of the profits that the Bouchat I Defendants earned from the sale of such merchandise was attributable to factors other than the use of the Flying B Logo. Therefore, the jury found there were no profits attributable to the infringement. Moreover, Bouchat chose to allow Bouchat I to go to Judgment without having elected a statutory damage award with respect to the very same infringements at issue in Bouchat II and IV.

In Bouchat II and IV, Plaintiff places at issue the same infringements that were at issue in Bouchat I. This time, he wishes to try a different litigation strategy[17] and seek statutory damages. He cannot be permitted to do so. See In re Southeast Banking Corp., 69 F.3d 1539, 1553 (11th Cir. 1995), Balderman v. U.S. Veterans Administration, 870 F.2d 57, 62 (2d Cir. 1989) (the fact that litigant "selected a litigation strategy he now regrets, placing all his eggs in [one] basket" would not prevent a

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[17] In Bouchat I, Bouchat, for tactical reasons, decided not to present the jury with a claim for statutory damages. Presumably, he wished to avoid a defense argument that a statutory damage award, capped at $30,000, would provide more than adequate compensation. In any event, the strategy failed.

preclusive effect against him); see also Dionne v. Mayor and City Council of Baltimore, 40 F.3d 677, 683 (4th Cir. 1994) (claim preclusion "forc[es] a plaintiff to raise all possible theories of recovery and to demand all desired remedies in one proceeding at the peril of losing all not raised in it"), Nevada v. United States, 463 U.S. 110 (1983) (res judicata can act to bar "any admissible matter which might have been offered" to "sustain or defeat a claim or demand").

Thus, because Plaintiff chose not to present his claim for statutory damages from the primary infringer, NFLP, in Bouchat I, he is precluded from doing so against NFLP's licensees in Bouchat II and IV.

(3) Pre-Registration Infringement

The Downstream Defendants present, as an additional ground for rejection of Bouchat's statutory damage claim, the contention that the infringements at issue commenced prior to Bouchat's registration of the work at issue.

The Copyright Act provides:

> [N]o award of statutory damages or of attorneys fees, as provided by Sections 504 and 505, shall be made for:
>
> (1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or

> (2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.

17 U.S.C. § 412.

Defendants argue that because Plaintiff's work was unpublished at the commencement of the infringement, he is not entitled to recover statutory damages at all. Further, Defendants argue, Plaintiff is not entitled to the three month "grace period" provided by § 412(2) because, at the time of registration, the Shield Drawing had either been published by Bouchat more than three months earlier or had not been published at all.

(a) "Publication" by Bouchat I Defendants

Plaintiff argues that the June of 1996 public display of the Flying B Logo by the Bouchat I Defendants constituted "publication" of the Shield Drawing for the purposes of application of the registration grace period. This argument is completely meritless.

First of all, the Flying B Logo was derived from, but is not identical to, the Shield Drawing that Bouchat drew. Accordingly, a publication of the Flying B Logo would not be the equivalent of a publication of the Shield Drawing that Bouchat registered.

Moreover, Bouchat's proposed interpretation of the term "publication" would conflate publication with infringement and would render the registration

requirement largely nugatory.[18] Courts considering the matter in the context of fair use have found that "publication" requires the consent of the owner. See Religious Tech. Center v. Lerma, 1996 WL 633131 *7 (E.D. Va. 1996), citing Harper & Row Pub., Inc. v. Nation Enterprises, 471 U.S. 539, 552 (1985), Religious Tech. Center v. Netcom, 923 F. Supp. 1231, 1242 n. 9 (N.D. Ca. 1995) ("'Publication,' as defined in 10 U.S.C. § 101, requires that the owner *consent* to selling, leasing, loaning, giving away, or otherwise making available to the general public, the original or copies of the work.").

There is no reason why this perfectly reasonable interpretation of the meaning of the term "publication" would not apply in the statutory damages context as well. Therefore, the Court holds that publication or use of the infringing logo by the Bouchat I Defendants cannot constitute "publication" for the purposes of the three-month grace period. Therefore, statutory damages are not available for pre-registration infringement by virtue of any pre-registration "publication" by the Bouchat I Defendants.

(b) Publication by Plaintiff

Alternatively, Defendants argue that because Plaintiff "published" the work more than three months before registering, he is barred from collecting statutory damages, which are available only for infringements of unpublished works, as

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[18] In addition, such an interpretation would be nonsensical in light of the fact that the right of first publication is recognized as a fundamental right of the copyright holder. See 17 U.S.C. § 106. Harper & Row Pub., Inc. v. Nation Enterprises, 471 U.S. 539, 552 (1985).

provided by § 412(1), or for published works registered within the grace period, § 412(2). Although the matter is moot,[19] the Court will discuss this issue in the interest of completeness.

Plaintiff registered his drawing on July 25, 1996. Defendants argue that Plaintiff "published" his work by making it available to a public audience on several occasions beginning in December 1995. At that point Bouchat gave copies of the Shield Drawing to friends, and began to display it at his office building guard booth. At the latest, Defendants argue, Plaintiff "published" the Shield Drawing when he faxed it to the Maryland Stadium Authority on April 1 or 2, 1996 (more than three months before registration). Plaintiff contends that his limited distribution of the work prior to registration does not constitute "publication" for the purposes of the statute.

"Publication" is defined in the Copyright Act as "the distribution of copies... of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending... a public performance or display of a work does not of itself constitute publication." 17 U.S.C. § 101.

In Burke v. Nat'l Broadcasting Co., 598 F.2d 688 (1st Cir. 1979), the First Circuit provided a

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[19] As discussed above, Bouchat's contention that he met the pre-registration publication requirement by virtue of the Bouchat Defendants' public display of the Flying B Logo in June of 1996 has been rejected. Since Bouchat does not contend that there was any other pre-registration publication, he renders moot the question of whether he published the work more than three months prior to registration so as to provide a further ground for barring statutory damages for infringements commencing prior to registration.

discussion of the levels of exposure of a work to the public that can constitute publication. "A general publication occurs when a work is made available to members of the public at large without regard to who they are and what they propose to do with it." Id. at 691. The number of copies distributed is not determinative of whether general publication has occurred, instead, the question is whether the work was "made available to those interested" in receiving it. Id., see also Brown v. Tabb, 714 F.2d 1088, 1091-92 (11th Cir. 1983). By contrast, a "limited publication" may exist when a work is distributed to "a limited class of persons and for a limited purpose... without the right of diffusion... [and] restricted as to both persons and purpose." Burke, 598 F.2d at 692 (internal citation omitted). "If either of these two criteria is lacking, the disclosure constitutes a general publication." RPM Management, Inc. v. Apple, 943 F. Supp. 837, 842 (S.D. Ohio 1996). Several courts have held that a limited publication does not constitute "publication" for the purposes of statutory damages. See, e.g., id., Aerospace Srvcs. Int'l v. LPA Group, Inc., 57 F.3d 1002, 1003 (11th Cir. 1995).

Plaintiff argues that his distribution of several copies of his work to friends and as Christmas cards was a "limited distribution" that did not amount to publication. However,

> disclosure of a protected work to only one person can nevertheless qualify as a general publication if the disclosure is not subject to either express or implied limitations on the purpose for such disclosure. The absence of restriction on the person's ability to reproduce,

> distribute or sell the work under these circumstances can, in theory at least, result in the disclosure of the work to the general public, the critical factor in a "general publication."

RPM Management, 943 F. Supp. at 842.

There is no evidence that Plaintiff restricted any of the recipients of his drawing as to their use thereof. See White v. Kimmell, 193 F.2d 744, 745 (9th Cir. 1952) (copies distributed to a limited group of individuals with no limitations on redistribution except a request not to distribute "in published form" constituted a general distribution).

In sum, if the matter were not moot, the Court would grant summary judgment to the Downstream Defendants on the issue of Plaintiff's December 1995 publication of the Shield Drawing. Accordingly, statutory damages are not available for any pre-registration infringement.

(c) Date of Commencement of Infringement

As discussed above, either Plaintiff's work was unpublished at the time of the registration or was published by him more than three months prior to registration. Therefore, Bouchat cannot obtain statutory damages for any infringement "commencing" before the date of registration, July 25, 1996. 17 U.S.C. § 412(1).

When an infringement commences before the registration date, the fact that it continues thereafter does not create or reestablish a right to statutory damages for that infringement. See Johnson v. Jones, 47 U.S.P.Q. 2d 1481, 1490 (6th Cir.

1998) (collecting cases) ("Every court to consider this question has come to the same conclusion; namely, that infringement 'commences' for the purposes of section 412 when the first act in a series of acts constituting infringement occurs."), Johnson v. Univ. of Virginia, 606 F. Supp. 321, 325 (E.D. Va. 1985) (holding that when a single photograph had been reproduced by the defendants before and after registration, those instances of reproduction that occurred post-registration would not support an award of statutory damages, as the infringement vis-a-vis that photograph was deemed to have "commenced" prior to registration).

Thus the question presented is whether the Downstream Defendants' use of the logo constitutes a "continuing" infringement such that it would be deemed to have commenced at the date of the initial infringement by the Bouchat I Defendants.

Defendants argue that because they are NFLP licensees, they "step into [NFLP's] shoes" for the purposes of determining the commencement date for the infringement. See Def.'s Memo in Support-Stat. Dam., at 11. They contend that because their infringing actions in producing and selling the licensed merchandise authorized by NFLP were merely continuing actions in one large "scheme" that constituted the infringement, the "commencement date" of such infringement should be deemed to be the date on which NFLP produced the infringing Flying B Logo and licensed its use on merchandise.

The Court concludes that the Downstream Defendants are correct. The "seminal" infringement that was the basis for all of Defendants' actions with regard to the infringing logo occurred when the

Shield Drawing was used by NFLP's artistic personnel to create the Flying B Logo that was publicly displayed in June of 1996 and licensed for use on merchandise as part of NFLP's "all team and all logo" marketing program. The fact that some Flying B Logo bearing merchandise was produced and sold after registration does not affect the date of commencement of the infringement.

Therefore, the commencement date for the purposes of determining Plaintiff's entitlement to statutory damages is prior to the date that Plaintiff registered his copyright. Accordingly, he is not entitled to recover statutory damages from the Bouchat II and IV Defendants.

C. Amount of Any Statutory Award

As discussed above, the Court concludes that Bouchat is entitled to no statutory damage award in Bouchat II and IV. Therefore, it is not necessary to address the amount of any statutory damage award that Bouchat could seek if he were not barred from doing so. Nevertheless, because this issue appears to be one of first impression and because it could potentially be addressed on appeal, the Court will discuss the matter.

1. Number of Statutory Damage Awards Available

Plaintiff asserts that he is entitled to recover statutory damages from each of the approximately 350 Defendants in Bouchat II and IV as well as whatever number of Downstream Defendants he may yet sue in additional cases.[20]

The Copyright Act provides:

> [T]he copyright holder may elect, at any time before final judgment, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $500 or more than $20,000, as the court considers just.

17 U.S.C. § 504(c)(1).

Multiple parties will be jointly and severally liable for infringement of a copyright when they "participate in, exercise control over, or benefit from an infringement." Sygma Photo, 778 F.2d at 92.

Each of the Bouchat II and IV Defendants "participated" in the infringement initiated by NFLP

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[20] On July 31, 2003, Bouchat filed Bouchat v. 7-11, Inc., MJG-03-2229, bringing another Downstream Defendant into the litigation. There remain hundreds, if not thousands, of not yet sued business entities that used the Flying B Logo in the course of business, for example, the overwhelming majority of enterprises selling food and drink in the Baltimore Ravens' marketing area.

when it developed the Flying B Logo and included it in the portfolio of NFL team logos it licensed. Thus, each of the Downstream Defendants is jointly and severally liable with NFLP.

There is no dispute that there is only one "infringed work" at issue here-the Shield Drawing. Moreover, the Court concludes that for statutory damage purposes, there is only one "action."[21] Downstream Defendants argue they are each jointly and severally liable with NFLP for the infringement of that work, and therefore can only be liable for one award of statutory damages.

In support of his claim that he is entitled to recover a statutory award from each of the Defendants, Bouchat relies upon a hypothetical case presented in the Nimmer copyright treatise:

> Suppose... that D [a movie distributor] without authority distributed the [infringing work] to [three theaters] A, B, and C. Although A, B, and C are not jointly or severally liable with each other, D will be jointly and severally liable with each of the others. There will be, therefore, three sets of statutory damages, as to each of which D will be jointly liable....

See 4 M. Nimmer and D. Nimmer, Copyright § 14.04(E)(2)(d) (2002).

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[21] The Court would try all statutory damage claims in all pending cases in a single consolidated trial. The Court construes "the action" as including all claims that could have been brought in a single case. Otherwise, a Plaintiff could multiply statutory damage awards through the device of filing separate lawsuits against joint infringers.

While it may well be possible to distinguish the Nimmer example from the situation present in the instant cases, the Court will not engage in the academic exercise. It suffices to state that the Court would not follow the professor's conclusion to reward Bouchat with more than 350 separate statutory damage awards. The professor did not address, and doubtlessly did not consider, a coordinated mass marketing operation such as NFLP's business. It might be interesting to see how the professor would deal with a hypothetical presenting the facts of the instant case. Nevertheless, faced with the issue in a courtroom rather than a classroom, the Court will not follow Professor Nimmer to reach the absurd result that Bouchat seeks.

Bouchat seeks to rely upon Columbia Pictures Television v. Feltner, 106 F.3d 284, 294 n. 7 (9th Cir. 1997), rev'd on other grounds, 523 U.S. 340 (1998). In Feltner, the Ninth Circuit held that where two separate television stations owned by the same person had each infringed the Plaintiff's copyright by separately broadcasting episodes of a television program, "[the owner's] liability vis-a-vis the stations merely render[ed] him jointly and severally liable for each station's infringements-it does not convert the stations' infringements into one." Id. This holding does not persuade the Court that the absence of joint liability among the Downstream Defendants themselves entitles Bouchat to multiple statutory damage awards where each infringement was a joint infringement with NFLP.[22]

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[22] The instant case does not present a situation in which each of many infringers acted independently and not derivatively from a common primary infringer.

The Downstream Defendants' position is supported by United States Media Corp. v. Edde Entertainment Corp., 1998 WL 401532, *20 (S.D.N.Y.), which held that a supplier, distributor, and retailers of a single infringing product would be jointly and severally liable for the infringement. See also Stabilisierungsfonds Fur Wein v. Kaiser Stuhl Wine Distribs., Pty. Ltd., 647 F.2d 200, 207-08 (D.D.C. 1981) ("Courts have long held that in... copyright infringement cases, any member of the distribution chain can be sued as an alleges joint tortfeasor.").

For the foregoing reasons, if the matter were not moot, the Court would conclude that the Bouchat II and IV Defendants were joint infringers with NFLP in a program for marketing products bearing all NFL team logos. Thus, they are each jointly and severally liable with the same primary infringer, NFLP, for all infringements of the work at issue in the action. Accordingly, Bouchat would be entitled to a single statutory damage award for which the primary infringer NFLP[23] would be jointly liable with the derivative infringers.[24]

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[23] Of course, NFLP is not a party to the instant cases. Therefore, as discussed above, Bouchat lost his chance for statutory damages by failing to seek them in Bouchat I

[24] Presumably, if the Defendants could not agree as to payment, there could be an issue as to an allocation of liability for a single statutory damages award.

IV. CONCLUSION

For the foregoing reasons:

1. Plaintiff's Motion for Partial Summary Judgment is GRANTED.
2. Defendants's Motion for Summary Judgment to Preclude Plaintiff from Recovering Profits and Actual Damages is GRANTED.
3. Defendants' Motion for Summary Judgment to Preclude Plaintiff from Recovering Statutory Damages is GRANTED.
4. Judgment shall be entered by separate Order.

SO ORDERED, on Friday, 22 August, 2003.

/s/

Marvin J. Garbis
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-99-1576

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *

CHAMPION PRODUCTS, INC * et al.

Defendants *

* * * * * * * * *

[Entered August 22, 2003]

JUDGMENT ORDER

By separate Order issued this date, the Court has granted summary judgment to Plaintiff on liability issues and to Defendants on damages issues

Accordingly:

1. Judgment shall be, and hereby is, entered in favor of Plaintiff Frederick E. Bouchat and against Defendants:

   a. Determining that the Baltimore Ravens "Flying B Logo" used by Defendants infringed Plaintiff's copyright rights in a drawing created on or about December 5, 1995.

b. Awarding Plaintiff no monetary recovery from Defendants.

2. The parties shall bear their own respective costs.

3. Any and all prior rulings disposing of any claims against any parties are incorporated by reference herein.

4. This Order shall be deemed to be a final judgment within the meaning of Rule 58 of the Federal Rules of Civil Procedure.

SO ORDERED, on Friday, 22 August, 2003.

/s/
Marvin J. Garbis
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CIVIL ACTION NO. MJG-01-1996

FREDERICK E. BOUCHAT *

Plaintiff *

vs. *
*

K-MART CORP., et al

Defendants *

* * * * * * * * * *

[Entered August 22, 2003]

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/s/
Marvin J. Garbis
United States District Judge

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 03-2173 (L)
(CA-01-1996-1-MJG)

FREDERICK E. BOUCHAT

Plaintiff - Appellant

v.

THE BON-TON DEPARTMENT STORES, INCORPORATED; et al.

Defendants - Appellees

[ENTERED: November 13, 2007]

O R D E R

The Court denies the petition for rehearing and rehearing en banc. No poll was requested on the petition for rehearing en banc. Entered at the direction of the panel: Judge Niemeyer and Judge Michael. This order is filed by a quorum of the panel pursuant to 28 U.S.C. 46(d).

For the Court
/s/Patricia S. Connor, Clerk

17 U.S.C. § 106

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

17 U.S.C. § 412

In any action under this title, other than an action brought for a violation of the rights of the author under section 106A(a) or an action instituted under section 411(b), no award of statutory damages or of attorney's fees, as provided by sections 504 and 505, shall be made for--

(1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or

(2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the

work.

17 U.S.C.§ 501

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 122 or of the author as provided in section 106A(a), or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a). As used in this subsection, the term "anyone" includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.

(b) The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it. The court may require such owner to serve written notice of the action with a copy of the complaint upon any person shown, by the records of the Copyright Office or otherwise, to have or claim an interest in the copyright, and shall require that such notice be served upon any person whose interest is likely to be affected by a decision in the case. The court may require the joinder, and shall permit the intervention, of any person having or claiming an interest in the copyright.

(c) For any secondary transmission by a cable system that embodies a performance or a display of a work which is actionable as an act of infringement under subsection (c) of section 111, a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that television station.

(d) For any secondary transmission by a cable system that is actionable as an act of infringement pursuant to section 111(c)(3), the following shall also have standing to sue: (i) the primary transmitter whose transmission has been altered by the cable system; and (ii) any broadcast station within whose local service area the secondary transmission occurs.

(e) With respect to any secondary transmission that is made by a satellite carrier of a performance or display of a work embodied in a primary transmission and is actionable as an act of infringement under section 119(a)(5), a network station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that station.

(f)(1) With respect to any secondary transmission that is made by a satellite carrier of a performance or display of a work embodied in a primary transmission and is actionable as an act of infringement under section 122, a television

broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local market of that station.

(2) A television broadcast station may file a civil action against any satellite carrier that has refused to carry television broadcast signals, as required under section 122(a)(2), to enforce that television broadcast station's rights under section 338(a) of the Communications Act of 1934.

17 U.S.C. § 504

(a) In General. Except as otherwise provided by this title, an infringer of copyright is liable for either

(1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or

(2) statutory damages, as provided by subsection (c).

(b) Actual Damages and Profits.--The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

(c) Statutory Damages.--

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $750 or more than $30,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $150,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than $200. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

(d) Additional damages in certain cases.--In any case in which the court finds that a defendant proprietor of an establishment who claims as a defense that its activities were exempt under section 110(5) did not have reasonable grounds to believe that its use of a copyrighted work was exempt under such section, the plaintiff shall be entitled to, in addition to any

award of damages under this section, an additional award of two times the amount of the license fee that the proprietor of the establishment concerned should have paid the plaintiff for such use during the preceding period of up to 3 years.